

 **CLONING:** Of Mice and Men **CANADA-U.S. RELATIONS:** Battle at the Border **P.E.I.:** Golf by the Sea

CANADA'S WEEKLY NEWSMAGAZINE

Maclean's

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The New North

A revamped Arctic begins building
for the next generation



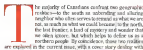
**“YEAH, YEAH, YEAH,
BUT *IS IT FASTER?*”** you say.



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Reminders of who we are



the implications of the looming division of the Northwest Territories (page 14) and a report on the U.S. crackdown on Canadians crossing the border (page 38).

Lately, "the world's largest unfettered border" has become a farcical phrase, as U.S. customs officials intercept some-potting tourists and bustle asoprene with rule inquiries and, in some cases, outright travel bans. That development seems to violate the spirit of free trade, to say nothing of our history of casual border crossings. Then, mostly, border



still appears to have the support of an increasingly isolationist Congress, and the grilling and extermination are likely to continue.

Canada's North is a much more pleasing vision to contemplate, especially in the dog days of summer. The Northwest Territories is bustling with preparations for the creation of two new Canadian estates: On April 1, the Arctic Archipelago and a great swath of the mainland west of Hudson Bay will be turned into Nunavut, with its own local government led by a new convention of local people.

with big dreams and enormous challenges. Its shape resembles that of Texas, but it is almost three times the size. The remaining portion, still unnamed, will include the old territorial capital of Yellowstone and the riches of the Blackfoot.

It is, of course, not the first time that the law of Canada's North has been altered. In 1880, Great Britain transferred the Arctic islands to Canada, which then were added to Rupert's Land and the North Western Territory. In later years, Manitoba, Saskatchewan,

Alberta, the Yukon, Ontario and Quebec expanded in size by claiming chunks of the Northwest Territories.



In return, the North got the fabulous gift of generations of colonial government. The school system regarded most kids to be better for high school being dropped out, alcohol abuse became endemic and the patronage of southern sports-clashed with traditional culture. When Judge William Morrow held his last court session in Copper

stunned when an unemployed 21-year-old explained how he learned to forge a cheque by watching the television show, *Paper Money*, an antidote. The route to local self-government, initiated by John Dwyer and proclaimed during the Brian Mulroney era, is a welcome change. To be sure, it represents a daring leap of faith for a sparse population in a stunningly vast land. But given the optimism and dedication of the people who will run Nuavut, surely they can do so wisely.

Robert Lewis

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Redrawing the map



1. *Unconstrained* 1

V Maclean's Western Business Correspondent became fascinated with the New North when she was in Yellowknife last year to report on the development of diamond mines in the Northwest Territories. When she returned this summer, it was to oversee this week's cover

Huntst was especially moved by Delise, the hunter on Great Bear Lake where the Sahwotina population has

FAST AS SHAVING,
SIMPLE AS SHAMPOOING...



AND, WHEN SHE SAYS
YOU'RE LOOKING GREAT,
JUST SAY YOU'VE BEEN PUMPING IRON.

Source: <http://www.fishbase.org>. Accessed 2007-09-20. Species names in bold indicate species that are native to the region.

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Backstage



Anthony Wilson-Smith

The conflicts of journalists

Perhaps you have already had this experience: you engaged in an activity you would rather keep confidential. Now, you are prepared to discuss it with an acquaintance—but only if that person promises not to tell anyone else. A short while later, even prior to knowing the story, you suspected it was in danger of the column. When you confront him or her, the defense is that the story was too interesting to keep private.

That, in essence, is what happened to Brian Mulroney earlier this year. The former prime minister got with Quebec author and journalist André Prud'homme to assist him with a biography. Prud'homme was writing an "interview" with Mulroney on condition that it be "his background," meaning that Mulroney would not be quoted and Prud'homme could not cite the interview as the source of his information. He agreed. But when Prud'homme's book was published in June, he quoted Mulroney, writing how he helped persuade Charest to quit as leader of the federal Progressive Conservative Party. Although Mulroney never said he could break the agreement, Prud'homme did so, he explained, because the information was "significant."

A friend who broke such a promise would not be considered trustworthy, or a friend, any more. In the case of journalists, however, it is more complex. There was no formal agreement, so Mulroney probably cannot take legal action. Moreover, there is no indication that he was misquoted, slandered, or that his reputation suffered. But Mulroney was burned for trusting the word of a journalist, and the only certainty is that it will be a long time before he gives anyone a similar opportunity.

The incident aroused only fleeting attention outside Quebec, but the issue it raises deserves greater attention. Journalists, despite frequent claims to the contrary, are not a profession. A true profession, by comparison, is a doctor or lawyer, both of whom must pass rigorous tests and can be barred from practicing if they violate rules regarding their conduct. Journalism has no universal code of conduct, although most organizations establish guidelines of acceptable behavior. And while most journalists today have attended university, there are no specific requirements to become a reporter.

That lack of standards and, sometimes, ethics has been evident recently in some highly publicized cases in the United States. A columnist at *The Boston Globe* was fired for fabricating quotes, a columnist at *The New Republic* and *Globe* magazines was sacked after admitting making up quotes and incidents, and CNN and *Time* magazine apologized for a joint report that suggested the United States military used poison gas in Viet Nam in the 1960s. A follow-up investigation concluded that could not be proven.

Also publicized problem is the ethical rather world that exists for

media institutions and the people who work for them. True, there will never be a way to regulate against bad taste—such as the disgraced story that appeared on the front page of *The Globe and Mail* recently about British Columbia's Chief Justice. But it is suggested, without evidence beyond unnamed sources and whispering references to the gossip magazine *Parade*, that Barrett's effectiveness has been compromised because of his delight in his glamorous new wife, Anne-Marie Sten. In that case, the story was more damaging to the newspaper printing it than the subject of the story.

But some problems are more hidden. It is understandable if people who listen to television and radio news and read newspapers and magazines attach much credibility to all. But the standards attached to each institution can be quite different. Major print institutions, for example, such as the *Globe* or *The Financial Post*, forbid reporters from investing in the stocks they cover. But so such structure exists at some television and radio stations, so that people who report business—and give investment advice—may have a vested, undivided interest in their own. Similarly, many radio talk-show hosts also do commercials as part of their programs. When such people write freelance columns for newspapers, as the case in several markets, should their conflicts be noted, and are their opinions as credible as those of journalists who do not still products?

Then, there are the conditions by which interviews take place, and some stories are published. In the United States, some celebrities give interviews only if they are guaranteed a cover story, and approval over the photographs that appear. Many interviews take place with the proviso that the person being interviewed will discuss only certain subjects. And every year, the major television and newspaper networks publish in which they pay for journalists' travel and accommodations and arrange interviews with stars—with the understanding that only such questions will be asked, and that the ensuing stories will be favorable. (Mulroney pays for all travel expenses by reporters on assignment.) Some institutions explore the practice to their readers, most do not.

Everyone in journalism would benefit if media institutions put aside their differences long enough to agree on some industry-wide standards of behavior. For now, that is about as likely as, say, a business educational endorsement of the New Democratic Party by *Control* Black's Southern newspapers. Journalists agree that the business already effectively polices itself—and that the overwhelming majority of people involved are decent and honorable. That is proven by the post made by detractors of the Canadian military following revelations by this magazine about widespread sexual harassment. In both cases, it is true—and in neither case is it an acceptable excuse for doing nothing about existing problems.

Journalism is not a profession. It has no universal code of conduct, or specific requirements. The time has come.

was no television, no computers. Even the Anglican minister had his only radio in his office.

Arlokkoo saw his first news when, at the age of 14, he participated in a student exchange trip to Montreal. He was sent to hospital to finish high school and went to college in Fort Smith, where he trained to be a warehouse manager. After he worked in that capacity in the territorial government, and also as a drug and alcohol counsellor, before winning his seat in 1995.

In the 1990s, he says, the outside world began to intrude more into his home town. Television, largely because of the spread of multi-channel television. "When we got other channels besides the CBC, professional wrestling became a really big thing. I mean really big," Arlokkoo explains. "There would rank here at the end of the day to watch the six o'clock fights. They couldn't believe the fights were fair."

Television advertising encouraged a new awareness of southern doctors and some of Kimmie's 400 residents started to supplement their meals with more expensive meaty fare such as McDonald's Pizza Pockets. But most Inuit, Arlokkoo says, still live a traditional life, relying on the land for sustenance. Last week, in spite of condemnation from environmentalists, Inuit hunters from the community of Pangnirtung on Baffin Island arrived in an old tradition after 50 years and killed a bearded walrus (following a five-day hunt). "The provisions, the good hunters, are still very respected and valued," Arlokkoo acknowledges. "They are still the leaders of the community."

The lingering tension between the traditional life—most Inuit were nomadic until the 1950s, when the federal government forced them to resettle in permanent communities—and the continuing encroachment of a southern Canadian lifestyle exacerbates the social and economic problems of Nunavut and will make governing the territory a tremendous challenge. The statistics are daunting: 80 per cent of Nunavut residents live in government-subsidized housing, a litre of milk costs \$5, a loaf of bread \$3. The suicide rate is seven times the Canadian average; in a 1996 survey, 20 per cent of the adult population admitted to sniffing solvents and aerosols (compared with 9 per cent for all of Canada). "This dream for Nunavut has been sold to us that it would make life better, that we'd have more jobs, that government would be responsible, that it would be run in Inuit style, that there would be less money to be made here," Arlokkoo says. "But these are unrealistic expectations. Now that I've been in government, I know that it runs on money alone and there are severe imbalances on what you can do. When Nunavut comes into being, there will be a rude awakening for many people."

Government jobs, including teachers and medical workers, will provide most of the employment in Nunavut. As a result, the architects of the new territory have devised a bureaucracy that will be



Division has meant a fresh beginning

at the assistant deputy—and their offices will be located in communities such as Rankin Inlet, Arviat, Cape Dorset and Cambridge Bay, spreading the jobs around. "Government to us has always been somewhere else," Arlokkoo says. "Now it will be in our own communities."

Last fall, former Liberal MP Jack Anawak was appointed commissioner of Nunavut to oversee the hiring of civil servants and set up government infrastructure. About 800 new permanent jobs will be created. The goal initially was to have a workforce that is at least 50 per cent Inuit, and that that means hiring people who before could only have dreamed of being civil servants. Many of them, such as Campaing, never attended college although they finished high school. Campaing has been training for the past year, learning the essentials of government and taking management courses at Yellowknife's Arctic College. She also spent time at the Ontario legislature this summer to understand how the political process works elsewhere.

Campaing, who has worked as a geoscientist, environmentalist, firefighter, secretary, legal assistant, purchasing officer and document control officer, sees her job in the new Eastern Arctic government as a remarkable opportunity. "If I'd stayed in the South, I'd still be working at the gas station or maybe selling clothes," says Campaing, who moved from Rankin Inlet to Inukjuat, Arviat, a town near Iqroo, where she was 30, and to the child of a white father and Inuit mother. "Now, I'll have a career. I'll have options in the future that I never would have had. As an Inuit woman this is a liberating experience for me. It has changed so much in my life."

Marius Tungilik, Nunavut's deputy minister of personnel, says his government "is fortunate to have people like Nicole who are well motivated." And with unemployment levels of up to 80 per

cent in some of the smaller communities, the new government jobs will be crucial. Forty per cent of the population of Nunavut is 15 years of age and under. There are only a handful of private sector jobs. But Nunavut's government is the largest employer, and helping Inuit people develop their own companies and become economically self-sufficient. For example, an Inuit-owned construction company started under the name of NTL, is building the new legislature in Igloolik. The land claims group has also hired Inuit as development managers to help manage companies in the west and promote other industries such as tourism. "We are tired of having the government take care of our problems by giving us money," says Jack Anawak, president of NTL. "We know we can't just take an error and wipe away the problem. But we need to make our own mistakes and run our own lives."

Setting up his office in the legislature at Igloolik, Arlokkoo, a broad-fronted, bespectacled young man, continues to live over the heightened expectations of his people. But, he says, there is also reason for optimism. As a result of the land claim, he says, "We have a lot of money in the bank. Large scores of one such as gold, lead, zinc. There is oil and gas in the ground west

SEPARATION BLUES

George's is considered the best Italian restaurant in Yellowknife. At lunch, but to a moment there—deputy ministers, business people, many politicians—attended by the mayor, Romeo Morin, and his mother, Corinne, the chief. But Morin complains that business in the capital of the Northwest Territories, population 17,275, is as flat as a press. Overlaid by government downsizing, increased taxes—and uncertainty over the imminent division of the territory on April 1, 1999. "People are scared," Morin says.

"There's a lot of investment going to the Arctic and Igloolik and it's being taken off here. So what are we going to do in 1999? In the past, at least we had gold, at least we had the land!"

But the local gold mines, the Muskrat Can Mine Ltd. and the Giant Mine, owned by Royal Gold Mines Inc., are almost bankrupt and have become costly to run. As a result, there has been downsizing at Giant, while close to 150 workers at Can have been on strike since May 14 over



Campaing: I'll have a career—I'll have options in the future

theory. The issue is contentious because of the tension balance between the aboriginal population and non-aboriginals of the 39,460 residents. 47 per cent are aboriginal. Redrawing electoral districts could give the populous region around Great Slave Lake, which includes the communities of Yellowknife and Hay River and their concentration of non-aboriginals, a greater edge.

Kiddell, a 47-year-old Dene from Fort Good Hope on the Mackenzie



a new collective agreement. About 500 federal and territorial government jobs, meanwhile, have disappeared, a consequence of dismantling transfer payments from Ottawa and plans for territorial division. Most civil service positions are in the process of being shifted to Nunavut. And even jobs outside of government are hard to come by. "I have 105 applications for waiters and waitresses," says Morin, 32. "I have a staff that won't give up a shift for fear someone will get their job."

the old town, on streets such as Reginald Ave Road, are selling for upwards of \$500,000. The promise of new mines is spawning secondary industries, heavy equipment. And tourism is booming, especially among the Japanese, so far this year, 5,000 visited the city. The Japanese are convinced that spending time under the northern lights brings good luck. The residents of Yellowknife are crossing their fingers, too.

J.M.

the River has ambitions to be the first proponent of the western territory—specifically, to demonstrate that he speaks on behalf of all, and not just a specific group. He has voted in favor of introducing the electoral map, even though that might not have led as far as his own people. "It is necessary in the future, the West will be a real minority, the I would see a need to get into a protective mode," says Kadiw, a former president of the Dease Nats. "But this is history making and I want to take my people and my region and go into this new part of history."

It may prove to be a painful process. On one level, the ongoing wrangling over the new territory's name is a decisive of the Inuit culture of the West. When the government turned to the public in 1986 for ideas, over 90 per cent of the 6,000 people who participated favored the aboriginal name Northwest Territories, although 40 people suggested the name *Yukon*. In low levels, the government that has been getting most of Ottawa's attention, said it stood for better of the territory. Some aboriginal proposals favor *Dene* or *Dene*. Dease Nats Kadiw recommends the name *Inuvialut*. Our land, to take into account the culture and the values, but Northwest Territories has to go, he says. "That name has no soul, no culture, no meaning," Kadiw says. "It's a colonial name that somebody else gave to us."

But the question of naming the new territory is related to the need to reach agreement on what form the government of the West should take. "The major challenge," says Gordon Dickson, a professor of political science at the University of Alberta, "is to develop a form of government which will be acceptable to the cultural mosaic that makes up the West. Aboriginal people and the non-aboriginal



Politicians in the western territory say that the split will benefit both sides

people tend to bring different worldviews to constitutional matters."

The status of different land claims complicates the issue. The Inuit people who live near the Beaufort Sea have settled their claims, as have the Gwich'in and the Athabasca—agreements that allow for future self-government negotiations. But the aboriginal groups around Yellowknife and in other western areas have not yet reached agreement with Ottawa. "This makes it hard to know what our government is going to look like," says Charles Deane, the minister responsible for western territories. "A lot of people have failed to recognize that as self-government agreements get signed, the status quo will exist any longer. Many of the functions delivered by the territorial government may be taken over by aboriginal governments. They would choose to deliver education or social services."

On the several proposed models of government that recognize aboriginal self-determination, none, so far, has been received with public enthusiasm. One involves a single territorial government, including representatives from aboriginal governments and elected officials. Another is a smaller version of the present Northwest Territories government working in tandem with various aboriginal governments. Non-aboriginals are concerned that their voices won't be heard if the government is dominated by aboriginal groups. First Nations people have similar fears since the West will be slightly increased by non-aboriginals.

The details of division, meanwhile, present further problems. There has been continued wrangling, for instance, over control of North West Territories. The West wants to justify over Hydro, leaving the power company as one entity but splitting the equity 60 per cent for the West, 40 per cent for Nunavut. Since most of the controversy is in the West, western representatives argue, it should have a greater voice. Nunavut politicians disagree and want to split the equity in two. "You don't

create two new territories in Canada without differences of opinion," acknowledges Minister of Finance John Tuck, who is overseeing the division of assets and liabilities. The slow-down of the process, though, has in many ways left the West in limbo. Northern governments, former president of the Northwest Territories and a member of the Western Canadian Council, support western budgets, assets and liabilities, says that with division is settled. "It is very difficult for the West to focus on its own needs. It is the western businessmen who are doing most of the work to get the state and the federal government to place."

But in spite of some frustration, western politicians, like their Northern counterparts, argue the necessity of division. "The split ended the limbo-land of the Dease to support their local leadership and that is what we had to do," says Kadiw. "It is impossible for the West to police here there were some good things

Conclusion of last week's weekend while last (left) children in Pangnash, the West enjoys greater self-sufficiency



PUSHING FOR JOBS

Windy Camp, at the edge of the Arctic Ocean in the Northwest Territories, is a rock-strewn stretch of 30 miles—and an odd place for someone to find his first full-time job. But Lloyd Ratton, a 26-year-old Dease, started working there this spring, his first time getting out of bed at a set hour, his first time earning a regular pay cheque. As an employee of Broken Hill Proprietary Co. Ltd., Ratton is doing odd jobs and learning something about the mining business at the pit's exploration camp. Until this year, his prospects for full-time work were nil. He was an alcoholic. He had left school after Grade 8. He had never been outside his home in the remote community of Deane, 270 km northwest of Yellowknife. But when his common-law wife became pregnant last fall, Ratton recognized the need to change his life. In January, he enrolled in an alcohol treatment program, and was selected to participate in the N.W.T. Community Mobilization Partnership, a non-profit program that is helping the unemployed in the Northwest Territories learn how to hold jobs and become self-sufficient. "I haven't had a drink for four months," Ratton says proudly. "This job means a lot to me."

The Community Mobilization Partnership does not just focus on the mechanics of finding a job, but takes into account family history, alcohol problems and lack of education. It encourages companies to understand aboriginal people—while showing First Nations groups what is expected in the workplace. At Windy Camp, retired mining engineer Herb Hargis helped Ratton and 20 other aboriginals through the job. "A lot of these people have never left their communities before," says Hargis,

in it for ourselves. What we need to do is get more development, with our land claims, but for a new form of government and increasing the spirit and cultural aspects of our territory."

There is strength, too, in the West's greater self-sufficiency. With an unemployment rate of 14 per cent and an average income of \$54,000, with new diamond mines and oil and gas exploration, the territory is economically better than Nunavut. "Clearly we face less of a challenge," says Deane, "but it doesn't mean one look in the West is going to be an eye for an eye ago, people were worried about division. Now, we are recognizing there will be challenges—but we will be able to deal with them."

When the prospect of division was first presented in a 1982 plebiscite, Miller-Bergner, the following M.L.A., voted against it. "Our population is the size of a small city in terms of actual numbers, but to me it didn't make sense," he says. Now, he thinks that division is the cultural and economic divide between the Eastern and Western Arctic. "I think the indicators in the West will actually improve," Miller-Bergner argues. "We raise \$200 million a year, and we have the potential to increase it because of all our development. Our population is well educated. We have the credible problems of having young jobs and old enough enough northerners to fill them. The future doesn't look bad." After a month of going to the unemployment office of the midnight sun, which time seems to have no limits, the morning deadline of 1990 and the problems in the growing that map of Canada seems to fade away. □

Community Mobilization's academic co-ordinator. "Some of them have tried several jobs and failed. But you can't condemn them—you have to be patient."

So far, 184 northerners have gone through the program. After 21 days of training in areas such as home safety, they now hold entry-level jobs in carpentry, catering, laundry, construction, electrical work and plumbing. It can take four to five different placements before a job sticks. "The first time you go on people like us, they're not sure they're not one of two bad jobs," says Barb A. Brown, executive director to the program. "There is a great deal of transition. Eventually, we hope they will become fully employed in their communities."

The Community Mobilization Partnership started in 1990 when Broken Hill Proprietary made an application to open the first diamond mine in Canada. The company had to meet certain conditions before beginning the development of what is now the Ekati mine in the Northwest Territories, including a requirement to hire northerners and aboriginal people. But many aboriginals, unskilled, poorly educated and beset by alcohol and drug problems, were ill-equipped for work. So BHP recruited Brown, an education specialist from Vancouver, to help. Another 200 companies, including the Bank of Montreal and Longview International Paper Inc., signed similar agreements. They work closely with Brown's organization, with various aboriginal communities and with all levels of government, providing the program's \$1.4 million in funding and offering expertise.

Gord Van Tighem, manager of the Yellowknife Bank of Montreal, says the program has enabled people to find jobs and keep them. "It's been dramatic," he says. "We've been able to have 82 per cent retention in the workforce." Aboriginal leaders strongly support the program. "I went into the labor market and I saw that there were people working there who I knew had not worked for years," says Stephen Kadiw, the territory's minister of natural resources, wildlife and economic development. "The Community Mobilization people recognize it's not enough to get an alcoholic to quit drinking—he also has to go to work and become an active member of the community." That is something a new father like Lloyd Ratton now clearly understands. □

COUNTDOWN TO DIVISION

■ In the early 1960s, Ottawa first began considering division of the Northwest Territories as a result of giving the North greater autonomy.

■ Yellowknife becomes the capital of the Northwest Territories in 1967. Over the next two decades, as public government in the North matures, there is increasing agitation for aboriginal land claims.

■ In 1976, the first Task Force of Canada—the first representative body—approaches prime minister Pierre Trudeau with the first formal proposal for an Inuit land claim. The proposal argues for the creation of Nunavut.

■ The question of creating Nunavut put to voters in the Northwest Territories in an April 14, 1982,

plebiscite. Fifty-six per cent vote in favor of splitting the territory.

■ In 1982, a new organization called Tunguvik Federation of Nunavut is set up to focus entirely on the Inuit land claim. But during the next decade, the process is slowed by disputes over where the boundary between the Eastern Arctic and Western Arctic should be.

■ On April 19, 1991, the Territory government of Brian Mulroney envisions a boundary division between the Eastern Arctic and Western Arctic.

■ In June, 1993, Parliament enacts the Northwest Land Claims Agreement Act and the Nunavut Act, ratifying the Inuit land claim and authorizing the creation of the new territory of Nunavut.

■ On April 1, 1998, Nunavut will become Canada's newest territory.

HAUNTED BY THE PAST

Cancer stalks a remote community

Life in the afternoon, they gather at the graveyard. First, the old women arrive. Faces wrinkled by time and grief, their grey hair blades under the long headwraps that are meant to keep drizzle from seeping. Then, the men, with drapes of caribou skin, shuffle into the cemetery. The others, mothers losing children, young teenagers, follow shortly after. The Sahnagwagwag, a remote hamlet of 605 people on the western shore of Great Bear Lake, have come to the graveyard to ask for help from their ancestors—and descendants yet unborn—through the rites of a five-day ceremony. One by one, the old women step forward, proffering dried pieces of fish, tobacco, meat or bread, placing the foodstuffs in a metal bowl in front of the fire. The men follow a Slavic language hymn and rhythmically beat the drums. Charlie Nephew, who guides the ceremony, wears a white musky. As it goes on, it starts to rain.

The Sahnagwagwag say they need help because they are beset by a plague of cancer—a result, they claim, of radiation from a nearby nuclear and uranium mine that poisoned their bodies and their land over the course of three decades. (The mine, run by Crown corporation Eldorado Mining and Refining Ltd., stopped some of the uranium for the 1980s Muskrat Project to build the Crown cash.) No one can say how many residents of Defre, over the years, have been afflicted with cancer; the Sahnagwagwag, a people of oral tradition, have not kept records and the Northwest Territories government did not start collecting cancer statistics until 1980.

But studies of non-aboriginal miners at uranium mines have established a high incidence of "leukemia." The association between lung cancer and uranium mining is well documented," says Dr. Pierre Bessé, senior medical epidemiologist with Health Canada. And in the past year alone, the people of Defre say, there have been seven new cases of cancer in their community, resultant in three deaths. The latest victim was 55-year-old John Babin, his name blown with flowers. "John was my grandfather's grandson; he regularly lived with them 90s or 100s," says Gann Nappa, who operates the town's only taxi. "But we hardly have any men past the age of 45. They all died of cancer."

For many years, Defre residents had little understanding of what was happening to their community. Then, about two years ago, some of the younger members began to investigate the deaths and research the history of Eldorado. They set up a uranium committee, which this spring completed a 330-page re-

port documenting their concerns and listing 34 demands to the federal government, including an environmental assessment and unspecified financial compensation. Committee members went to Ottawa only this summer to present their report to Health Minister Allan Rock, Indian and Northern Affairs Minister Jean Stewart, and Minister of Natural Resources Ralph Goodale. Officials from the three ministries are now trying to work with the Sahnagwagwag to determine the extent of the contamination—and to come up with answers. "I think we're determined that to find solutions to this problem we have to work together," Stewart told reporters after the meeting.

The problem, the Sahnagwagwag say, dates back to 1931 when phosphoric, a natural source of uranium and uranium, was discovered on the east side of Great Bear Lake. From 1935 until the site closed down in the early 1960s, Eldorado, which became a Crown corporation in 1944, mined the deposit at Fort Radnor, now called Echo Bay, 120 km across the lake from Defre. For the first decade of the mine's operation, radium—used in atomic energy, luminous paint—was the prize, not uranium. During the 1930s, Sahnagwagwag men were hired as ore carriers at Fort Radnor.

Called "cookers" by the white miners and paid \$5 a day, they would fill 45-kg sacks of radium-rich ore seven times each, place them on sleds, move them across Great Bear Lake and portage them 300 km to the Muskrat River. (Sludges from gold for about \$25,000 per gram, on comparison, the average annual wage in 1935 among Canadians worked in the mineral sector was \$870). No one who worked at the mine was given protective clothing, or provided with showers to remove the toxic dust, says historian Robert Bothwell in his book *Eldorado, Canada's Nuclear Utopia*. Company Sahnagwagwag of radium were known. Several scientists had noted the link



Fire ceremony at Defre seeking spiritual help to overcome the alleged effects of a uranium mine

and of exposure. "Radium or radioactive substances once deposited in the bone structure of the body are impossible to eliminate," stated a 1931 report. That "makes the taking of every precaution a most necessary factor in the treatment of patients for the recovery of radium."

By 1942, the miners had abandoned radium for uranium, pushed by the Second World War effort to build an atomic bomb. Uranium mining continued with the arm race of the Cold War and the Sahnagwagwag, once again, worked as transporters. As a nomadic people who lived on the shores of Great Bear Lake—they did not live in Fort Radnor, later known as Defre, until the 1950s—they brought their wives and children to stay with them at camps along the uranium transportation route. The children played in the yellow mud that the men came into their hands covered in it. They leaved the dust, smeared it with their food. "It got on their clothes and in their hair, and when it was time to eat they didn't wash their hands or faces," says Joe Blomberg Jr., 55, a member of the uranium committee, who spent part of his childhood in Fort Radnor—and whose father, mother, two sisters-in-law and two nephews have died of cancer.

Few of the white people at the mine spoke Slavic, few of the Sahnagwagwag spoke English—and no one warned of any dangers. "My tent was set up on the site where that uranium stuff was stored," says Alfred Tandon, 66, whose 69-year-old wife, Jane, had a cancer diagnosis removed several years ago. "No one told us it was dangerous. Now, I feel angry and upset. I am afraid for myself and my people. What is going to happen? Even the white people who worked at the mine have died of cancer." That has left many Sahnagwagwag of the federal government. "It is one of the challenges that we have, establishing trust," acknowledges Harriet Bowdler—director general of natural resources and environment

at the department of Indian and northern affairs.

During the mine's existence, 1.7 million tonnes of radioactive tailings were dumped into the lake and around Fort Radnor, according to research done by Defre band members and their Hamilton-based lawyer, Andrew Orkin. "This story has blown me away," says Orkin. "As an example of government abuse and neglect, it trumps everything I've seen." And although the mine was supposedly closed up—the tailings covered by pulverized rock after the mine closed, and further clean-ups done at certain sites last year—federal officials acknowledge that doubts remain. "The clean-up effort is still open to debate whether it was satisfactorily done," says Bowdler.

The Sahnagwagwag still live a very traditional life, hunting for caribou and fishing for trout, whitefish and herring in Great Bear Lake, the fourth-largest lake in North America. But that life is now colored by concern—if not outright panic—that their environment is irreversibly tainted. Blomberg uses a Brita filter to cleanse his water, trying to eliminate the possible threat of radionuclides. "I don't know this afternoon if you're living about it," he says. "I

always think about it. Who never? I got a little panic, I think about it."

This summer, Blomberg—a cousin of local Liberal MP Ethel Blondin-Andrew—went out with an environmental specialist, hired by the federal government, to take samples of biceps, wild caribou and blackberries, fish and caribou and have them tested. In early July, consultant Leslie Whitty, who works for the Department of the Environment and Forestry and heads the Northern Canadian Program, visited the Fort Radnor mine to take proper center readings. She acknowledges that "there are some places over the tailings that the levels are higher than we'd like to see," but adds that since the mine is far across the lake from Defre "people are not living on a contaminated site." Still, Whitty understands Sahnagwagwag fears about their food and water—and their past as ore carriers. "They have every right to be worried," she says. "It's not as if it's a recently completed issue—they are trying to understand the relationship between radium and cancer."

In the coming weeks, lake sediment samples will be taken, and Whitty has proposed further environmental and health studies. But the land also wants independent health experts and scientists to investigate. "It's going to take a lot of money to haul all that garbage out," says Blomberg. "It's going to take many years." And in August, members of the Defre band are scheduled to visit Inuvik. Because uranium transported by the Sahnagwagwag was used in the nuclear bomb, they plan to meet with veterans of the Hiroshima and Nagasaki bombings and express regret over their inadvertent contribution to the cities' destruction. Meanwhile, once a month, the Sahnagwagwag continue to meet in the graveyard for the fire ceremony, hoping for help from their ancestors to heal the land—and themselves.



Blomberg believes that the town's environment may be tainted

Breaking barriers

A living legend inspires Nova Scotia blacks



BY BRIAN BERGMAN

Junior Sparks is a 24-year-old black Bahamian who is making his mark on the Maritime music scene. Winner of this year's East Coast Music Award as best Disc/Duo/Rap Artist of the Year, Sparks is preparing to launch his first national tour to promote his recently released CD, *The Zone*. But despite his success, Sparks, like many other members of Nova Scotia's black community, still endures the everyday sting of racism. "Racism, it happens," he says, "it happens all the time. It's not upfront or blatant, but it's there." Sparks talks about going shopping with his wife, Michelle, who is white, and having store personnel follow them around, apparently fearing he might start something. On another occasion, he and his young son met Michelle in a bus shelter, only to have an older white woman promptly move and head down the street to avoid her son. "Sometimes people are racist and don't even realize what they are doing," says Sparks. He adds: "Years ago, I think it was a lot worse."



Parks: a U.S. civil rights heroine endures a legacy of discrimination

There is, unhappily, a long legacy of racial intolerance in Nova Scotia. It stretches back over 200 years to the exploitation of former slaves who arrived in the region in the late 1700s, through more recent episodes such as the 1990s bickering of Africville—a self-contained black community on the shore of Halifax's Bedford Basin—and repeated outbreaks of racially motivated violence at the Hallowood Cole Harbour District High School in the 1990s. Given that history, it is little wonder that the province's black population, which now numbers roughly 30,000, is eagerly anticipating this week's five-day visit to Nova Scotia by a black woman who is famous for overcoming adversity. Rosa Parks, now a physically frail but still-spirited 85 years of age, is credited with jump-starting the U.S. civil rights movement when she refused to give her seat to a white passenger on a segregated bus in Montgomery, Ala., in 1955. Sparks speaks for many when he expresses "I think it's great to have someone like her around this region. It inspires us to know that no matter what you are up against, you can still come out on top."

Editor's note: Ending bitterness over the rising of a community

Parlo will arrive in Nova Scotia on July 30 to oversee Pathways to Freedom, an annual event sponsored by the North Carolina-based Bush and Byrnes Foundation for Self-Determination, which she founded in 1987 in memory of her late husband, a well-known civil rights activist. (The institute works with youths, ages 11 to 17, to teach them about their heritage and help them reach their potential.) Pathways to Freedom involves young people in commemorating the Underground Railroad, the informal network of safe houses that helped pre-Civil War runaway slaves escape to the northern United States and Canada. This year's Pathways will see 20 Nova Scotia youths playing host to 80 Americans from across the United States, including visits to some of the province's earliest black settlements.

While in Halifax, Parlo will also receive an honorary degree from Mount Saint Vincent University in recognition of her unique role in the civil rights movement. On the evening of Dec. 1, 1955, Parks was riding home from her job as a seamstress in downtown Montgomery, sitting in the first row of seats reserved for "colored" passengers. When the bus filled up with white people, the driver ordered Parks and three other blacks to move to the back. She refused, and her arrest led to a Supreme Court case that ended segregation. The Supreme Court ruled that segregated buses were unconstitutional. The Supreme Court's decision was a landmark for a young preacher, Martin Luther King Jr., as a national leader, and served as an era of protest marches and strikes that helped break down many of the racial barriers black people had faced for generations.

Among Nova Scotia blacks, Parlo's political act of defiance has particular resonance. In a much less publicized incident, Viola Desmond, a Baptist from Nova Scotia, was arrested in 1946 for refusing to sit in the balcony reserved for blacks at the Roseland Theatre in New Glasgow, N.S. While Desmond spent only one night in jail for the offense, her story shows that the days when black Nova Scotians attended segregated churches and schools and were barred from white barber shops are not so distant. In fact, Nova Scotia only outlawed separate schools for blacks in 1954, something that writer Henry Spink, chief curator at the Black Cultural Centre of Nova Scotia, described in 1980 as "shameful." The schools created an atmosphere of inferiority for those who were exposed to them," he says. "That's the biggest problem we are still adjusting to today. Hundreds of years of degradation don't just change overnight."

The black presence in Nova Scotia began as earliest between 1775 and 1783, when more than 1,000 free blacks and former slaves who fought on the side of the British during the American Revolution earned rights of passage to the northern colony. For these so-called Black Loyalists, promises of free land grants soon

proved hollow and many had to enter into apprenticeship relationships with white farmers. A second wave of migrants, known as the Black Refugees, lived little better. Former slaves who had supported the British during the War of 1812, they came again as guarantees of adequate food, clothing and shelter give way to the reality of disease and exploitation.

Despite the hardships, Nova Scotia blacks persevered, helping to establish communities across the province. The majority, though, gravitated towards Halifax—most notably to the town of Preston, just east of the city limits, and to Africville. The latter first settled 150 years ago, initially laid out the promise of harbour-side families maintaining their own country village in the heart of the provincial capital. But that city success story, city officials located a series of economic declines—including a slaughterhouse, an infectious diseases hospital and garbage dumps—on Africville's doorstep. By the early 1960s, the community had earned a national reputation as an American-style ghetto, with no water or sewer services and substandard housing.

Determined to eradicate what it considered an eyesore, the city of Halifax set out to erase Africville and with its residents into garbage heaps. The relocation effort, completed by 1967, was rife with indignities. Because of Africville's reputed filth, many moving companies refused to take the residents' belongings inside; they were loaded away in garbage trucks. In a similar vein, bulldozers tore down Africville's spiritual centre, the Senior African Baptist Church, in the dead of night as most residents lay sleeping. The legacy of such actions is a lingering bitterness, not to mention an outstanding lawsuit against the city by some former Africville residents demanding compensation. In the meantime, they feel were brought by the city for a fraction of market value. "Africville is like a bad cold, it just won't go away," says Bishop. "Until that wrong has been righted, there won't be any rest."

More recently, the focus of racial tension has been in the province's schools. In 1989, Cole Harbour High—which serves predominantly black Preston as well as Eastern Passage, a mainly white, working-class suburb of Halifax—received national attention when a newspaper fight escalated into a brawl pitting white students against black. This year's host, a provincial task force on black education came to the stark conclusion that "most African-Canadian children are born birth trapped in a vicious cycle of social rejection and isolation, poverty, low expectations, and low educational achievement." The province moved to adapt many of the commission's recommendations, including the hiring of more black teachers and principals. But it has yet to heal the wounds at Cole Harbour High, where a black student was killed last October after the latest outbreak of violence involving white and black students and parents.

For all the setbacks, most black leaders agree there have been important strides towards equality reflected in a growing number of black educators, police officers and civil servants. In the political arena, however, progress has been painfully slow. In 1992, Wayne Adams became the first black member of the Nova Scotia legislature when he won the Preston riding for the Liberals. In this spring's provincial election, Adams was defeated by the NDP's Yvonne Abood, who now holds the distinction of being the first female black MLA. Shortly after her election, Abood drew a vitriolic public response when she advocated setting aside a dedicated seat for blacks in the legislature. Newspaper columnists ended against what they called reverse racism, while one headline editor demanded to know how Abood could "be so stupid as to suggest that black people be 'bused'." "Their own section on the bus!"

Abood was dismayed by the reaction. "I thought people had grown up enough to think about what I was saying," she sighs. But like many black leaders, Abood prefers not to dwell on the negative—and is looking forward to Parks's visit as a possible balm for the province's racial wounds. Parks, she says, has shown how "one person's little act can change the face of history." Abood is betting the magic of this message will not be lost on Nova Scotians, black and white alike. □

The diminishing dollar

Canadians cope with the free-falling loonie

BY JOHN SCHOFIELD

June and Ray Glesne have rearranged down their vacation shopping list to one category: knock-knockers. There are the trendy little blouses, a few Sydney Sassone, a \$400 bank made out of cedar. At \$1.50 for a U.S. dollar, that is all the couple from London, Ont., say they can afford during a four-day swing through Maine on their way to Nova Scotia. "We're not spending a lot of time here because there's just too much of a spread right now," said Ray, 56, from a bed and breakfast in Bar Harbor last week. But the Glesnes are better than most of their fellow Canadians, who have been a rare breed in these parts lately, says Arlene Stebbins, co-owner of the Augustus House Bed and Breakfast in Naples, Me. "I bet I have not had more than three Canadians the entire summer," she says. "They like contrast, but it's the exchange rate that's killing them."

"Ouch" is the operative word at least for those unfortunate enough to be trading crippled Canadian dollars for the seemingly impenetrable U.S. greenback. The crisis of anguish grew louder last week as the dollar continued its steady slide, reaching through the 60-cent (U.S.) mark to end the week at 60.77 cents, its 10th round low close in the space of two weeks. Economists continued to speculate whether the currency's decline is actually good or bad for Canada—although a few more joined the majority of pundits around the Bank of Canada to prop up the currency by boosting interest rates. And as the debate raged on, the main question was: how low can it go? "The searing picture is not very rosy," says Ed Gauthier, a senior economist with the Bank of Montreal. "You can't pick a better."

While economists vary on a suitable remedy, most agree the real reason for the dollar's weakness is Asia's economic turmoil,

which has depressed commodity prices worldwide and cut a slash over Canada's resource-based economy. Asia's woes are taking a toll on Canada's cities, too. The Conference Board of Canada predicted last week that Vancouver's economy, which is heavily reliant on Asian investment, will grow by only 1.6 per cent this year, compared with 5.1 per cent for Toronto and 5.9 per cent for Calgary. While Japan's new prime minister stepped forward, Kevin O'Leary, is talking tough about economic reforms, the Bank of Montreal's Gauthier says there is no telling how long the region's economy will take to recover—with the dollar hanging in on its heels.

Canadian travellers accustomed to U.S. vacations are not holding their breath. Increasingly, they are abandoning their usual holiday haunts. In the first five months of this year, the number of Canadian travel-

ling to the United States dropped by 400,000 over the same period in 1990, a 5.4 per cent slide. Cynthia Kerwin and her husband are among those who decided to stay home. Kerwin, a 29-year-old Montreal computer analyst, has visited Florida's Disney World six times, four of them as an adult. The couple planned to return this year to see Animal Kingdom, the latest addition to the Orlando amusement park, but they recently decided to postpone the trip until next year in the hopes that the exchange rate would improve. Park admission alone is \$50 a person per day, she notes, and hotels typically cost \$150 a night or more. Total cost for a three-day trip, including meals, for two adults? At least \$900—not including airfare. "It's just not worth it," says Kerwin.

Travellers who do venture south are usually spending less. Their penny-pinching ways, and the overall decline in Canadian tourism, has hit some U.S. holiday destinations hard. Old Orchard, Me., a seaside favorite with Quebecers in copious numbers, is a classic case. In the mid-1980s, the town's comprised about 80 per cent of tourists there. Today, they make up no more than half. "We have noticed that people who used to spend 30 days are now spending five or so," says Mary Boonstra, co-owner of the Rebel 3 Motel. At the Studio Gall Shop, a high-end boutique in nearby Orono, Me., owner Lynne Desrosiers says Canadians are easy to spot: they are the ones with ferrowed brows, doing quick mental calculations. "They figure out what it costs in American money to see if it's worth buying," says Desrosiers. "For the most part, they hold off."

Canadians' awestruck glances for the United States' vacation scene is duly noted. In Blaine, Wash., on the border with British Columbia, gasoline is sold a steal at \$1.05, or \$1.56 (Can.) a gallon, compared with \$1.37 in Vancouver. But the town's gas-price warriors, who rely on U.S. stations to stay afloat, are falling on hard times. Car manager Anthony Martillero estimates that this year, the company of 2,500 has lost about one-third of its gas-tax revenues, or more than \$250,000 because of the falling loonie. "We don't understand it," says Martillero. "Gas is \$1.05 per litre here, do the math, maybe they'll see that buying some products in the States is still a good use of their money."

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CANADA

get their teeth and shell out. Record companies, for example, are prepared to go to almost any expense for promising artists, says Larry Farniss, vice president of Toronto-based Sony/ATV Music Publishing of Canada. The company is making a big bet on Tara Lyn Hart, a singer from Manitoba who Farniss describes as "the next Celine Dion of country." Instead of a huge-grown—and considerably cheaper—recording, Hart's debut album, due out this fall, was recorded almost entirely in Nashville and Los Angeles, using high-priced talent such as Walter Afanasieff, Mariah Carey's longtime producer. "We definitely considered the cost," says Farniss. "But when we sign somebody, we're looking at their career, so it's something that will help their career, we still do it."

But in the currency crisis, winners and losers can be hard to predict. Common sense suggests that importers buying U.S. goods for sale in Canada would be suffering most. But Steve Olson, a partner in Canlan Produce & Trading Ltd., a Vancouver fruit and vegetable wholesaler, is not complaining. He estimates the company buys about 70 per cent of its produce from south of the border, but revenues are up despite the loonie's collapse. Because payments to the company from retailers can take anywhere from 45 to 90 days, Olson says, the company calculates a buffer as the exchange rate to protect itself from fluctuations. Early last year, for example, when the U.S. dollar was worth \$1.43, Canlan's was paying on the cost to retailers at a rate of \$1.45. Now, it is charging \$1.58 with the greenback worth nearly \$1.56. Sometimes, he admits, the company overcompensates. But, he adds, "We can use the weak dollar as an excuse."

The Bank of Montreal's Gauthier says that, in most cases, shoppers are not paying a penalty for the lower dollar. Retailers and manufacturers are finding it difficult to pass on increased costs because of stiff competition, especially from cheaper Asian goods. That is why the country's annual inflation rate remains at a modest one per cent and consumer demand, which helped boost retail sales 6.5 per cent in May from the month before, remains strong. Rising interest rates, Gauthier warns, could mean that. His advice to Bank of Canada governor Gordon Tancoen? Hang tough.

For inspiration, Canadians weary of their bring-a-pearl-back tag look to Australia. Since hitting a record low of 56.5 cents (U.S.) in mid-June, the Australian dollar has steadily climbed back to almost 62 cents on the strength of renewed hope in Asia's recovery. Eventually, the loonie will follow that upward trend, says Gauthier. Until then, Canadians seeking U.S. souvenirs will have to make do with knock knocks.

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ASSAULT ON WAR CRIMES

Ottawa announced it will spend \$44.6 million over the next three years to prosecute and deport suspected war criminals involved in the Second World War and modern-day conflicts. Of that, \$11 million will go towards the start of deportation proceedings in more than a dozen new Second World War cases.

IN THE RED

Ontario Court Judge Robert Blair granted the Red Cross temporary bankruptcy protection. The agency, which is insolvent, faces lawsuits totalling more than \$5 billion filed by those who contracted hepatitis C from tainted blood. The Red Cross intends to sell its 15,000 residential facilities for about \$150 million to the new Canadian Blood Services agency. After paying its debts, the Red Cross expects to establish a fund of up to \$100 million to compensate people infected with hepatitis C.

VIOLENT GIRLS

Statistics Canada reported that the overall rate of violent crimes continued to fall—except among girls. In 1997, the agency said, violence among 13- to 17-year-old girls increased five per cent over 1996, climbing to 472 offences per 100,000 population. For boys the same age, violent crimes dropped four per cent, to 1,335 per 100,000.

THE MAERSK DUBAI SAGA

Lawyer Lee Cohen submitted a last-ditch plea on behalf of four Filipino seamen hoping to stay in Canada, telling the Halifax immigration office that the men's lives are at risk if they are forced to return home. The seamen have expressed fear of retaliation for their allegations of murders aboard the container ship Maersk Dubai two years ago. Last November, an immigration panel found the men could not be considered refugees because they were not being persecuted for political reasons.

RACING TORIES

Former prime minister Joe Clark became the third official candidate to seek the leadership of the federal Progressive Conservatives when he filed his nomination papers. Saskatchewan farmer David Orchard, who also filed his papers last week, and party strategist Hugh Segal are, so far, the other official candidates.

Canada NOTES

Attack on the Nisga'a treaty

The battle over the historic Nisga'a treaty intensified when British Columbia's Liberal Opposition on Thursday launched a provincial power play by leaking details of the controversial deal. As a result, Premier Glen Clark was forced to release the 500-page treaty two weeks ahead of its unveiling ceremony in the Nisga'a homeland of northwestern British Columbia's Nass Valley. When the treaty was announced on July 15, the province said the settlement, granting the Nisga'a some self-government and almost 2,000 square kilometres of land, would cost \$190 million. But the province acknowledged last week that the figure has since skyrocketed to \$581 million, which includes \$150 million cash and funding for services such as prepayment, while the rest is to be paid in cash or in-kind.

Nisga'a Chief Joe Gosselin, the First Nation's main negotiator, said that pales in comparison to the billions of dollars worth of timber, fish and mineral resources taken from his people's territory over 100 years. "It's a drop in the bucket," Gosselin declared. But the B.C. Liberals stepped up demands for a provincewide referendum on whether the legislature should ratify



Shamash: the cost of the treaty is 'a drop in the bucket'

the deal. (The federal government said the Nisga'a themselves must also approve the treaty.) As well, Liberal leader Gordon Campbell condemned the agreement because it prohibits non-Nisga'a from voting for the Nisga'a central government. But Clark dismissed those concerns. "Any non-Nisga'a people in Nisga'a land will not be paying taxes to the Nisga'a," the premier said. "They'll be paying taxes to the provincial government. There is no taxation without representation." The treaty, meanwhile, faces ongoing legal battles as well, with two aboriginal bands who claim territory covered by the deal launching legal challenges to the agreement.

Air India breakthrough?

The RCMP in British Columbia gave Crown lawyers an initial summary of their 12-year investigation into the 1985 terrorist bombing of Air India Flight 182 as signs that police are close to completing their task and possibly laying charges. The Air India Boeing 747 jet exploded just off the Atlantic coast of Ireland, killing 329 people, 273 of whom were Canadians. The flight had left Montreal and was on its way to New Delhi and Bombay. Crown lawyers will examine the preliminary evidence by the RCMP's 20 full-time investigators assigned to the case, but will wait until the Mounties submit their final brief before deciding whether enough evidence exists to lay charges. "No time issue has been set for the approval of charges—or any—by Crown counsel," RCMP Sgt. Ross Gribb said. "The charge approval process will only commence once the court has reviewed the brief."

No timeline has been set for that step either, Gribb said. Police have linked the 1985 Air India attack to radical Sikhs in British Columbia. Efforts to establish an independent Sikh homeland. The bombing has also been connected to a 1985 explosion that killed two baggage handlers at Tokyo's Narita airport. Indian Supt. Raju Raju, 43, of Duncan, B.C., was connected to the Narita incident and is considered a suspect in the Air India bombing.

SOLIMOS

Stepping down

Tony Solymos, chief of staff for Manitoba Premier Gary Filmon, resigned amid allegations that members of the ruling Conservatives tried to rig votes during the 1995 provincial election. Solymos cited personal reasons for his resignation, which comes just as the province gears up for another election. He also cited a lack of confidence in his boss, George Selous, and his resignation.

During the 1995 election, Solymos was the Tories' campaign manager. Shortly before the April 25 vote, allegations arose that the contacts in some ridings had been rigged. After an investigation, Elections Manitoba said there had been no wrongdoing. But in June, two new witnesses came forward. At issue are claims that Solymos and other key Tories discussed paying bribes to rig votes in independent ridings so they could defeat NDP strongholds by applying the vote. The Tories won 31 of 57 seats.



U.S. Customs
Agent John Chastain
on the U.S. border
concludes

World

Trouble on the border

BY ANDREW PHILLIPS

Late-charged for Donald Chastain on the morning of March 4, and out for the better. Chastain lives in Abbotsford, B.C., a five-minute drive north of the U.S. border. For months, he had been commuting an hour a day to work as a consultant for a computer company in Beltsville, Wash. "Everything, he says, 'was going just excellent'—until that he brought back the company. For Chastain, as for millions of Canadians, the border seemed to have become a vexatious

big raster. Although Chastain had a visa allowing him to work as a consultant in the United States, he hadn't counted on new measures that give American immigration officials sweeping new powers to crack down on foreigners whom they believe are trying to get into the country. On March 4, Chastain was pulled aside by U.S. border agents. They said he was doing work not covered by his visa, and that his application for a work permit was a fraud. As the story developed, he recalls now, it emerged that their source of information was a former bookkeeper for Chastain's company who had been fired for embezzling money and was later convicted. No matter. After five hours of questioning, the 37-year-old businessman was photographed, fingerprinted and—under a procedure called expedited removal—barred from entering the United States for five years. Worse, there was no way to appeal a ruling that

had been made on the spot by immigration agents. "So much," he says ruefully, "for the world's largest modelled border."

For Chastain, the costs of exclusion are both financial and psychological. His income dropped by more than 30 per cent, and he has been left bewildered by a process he describes as arbitrary and pointless. "I [had] been caught smuggling drugs or something, I'd assume," he says. "I've been caught as a person." And for many demands—but there was no appeal.

Canadian, his story is just one of the worst examples of a disturbing trend: the border they once brushed off as nothing more than a line on a map, a stoplight on the way south, has become a more intimidating place. Almost 800 Canadians have, like Chastain, been subjected to expedited removal since it came into effect in April, 1997, as part of a tough new immigration law adopted

ed the previous year by the U.S. Congress. Although the 116 million people who entered the United States from Canada last year, that may be just a tiny fraction of one per cent—"a minute number," notes U.S. immigration service official Russell Bergeron. But many others are being questioned more closely or turned back at the border for failing to produce documents as reliably as an income tax return. U.S. border agents, spurred by the new law, have adopted an attitude they defend as more vigilant—and their critics call more hostile.

Even some Americans are howling. In the Washington state border

town of Blaine, the chamber of commerce recently summoned the director of the Peace Arch crossing station to a meeting and issued a barrage of complaints. Americans returning from Canada, they said, are being harassed by border agents who are downright rude. "By rude," lawyer Roger Ellington told the packed meeting. "I mean someone, speaking down to people and treating them like trash."

Bornies people, charged at increased scrutiny as trips into the United States, have been been packing "U.S. border crackdown" seminars. Some 2,000 of them in the Toronto area have attended seminars sponsored by Hamilton immigration lawyer Paul Rasmussen. "There's no question the U.S. is examining people more closely," he says. "They're starting to ask a lot more questions, which results in people having more troubles." B.C. Reform MP Val Morehead says she has received complaints from across the country. "There used to be this understanding that Canada and the United States were these friendly neighbors and there wouldn't be a whole lot of harassment," she says. "That's changed. Now, Canadians are coming to be afraid just like everybody else."

Along the line dividing British Columbia from Washington state, tensions have risen over the newest cross-border cash crop: marijuana. The amount of drugs confiscated by the U.S. Border Patrol in Washington state is soaring—by 1,459 kg in 1997 to 2,735 kg in just the first half of this year. That is still pretty modest in the face of seizures from Mexico, but enough to persuade U.S. authorities to designate seven stretches hugging the B.C. border as "high-traffic drug-trafficking areas"—the same designation given to hot-

spots like the southwest border, Los Angeles and New York City. The pot trade gives ammunition to Americans determined to tighten up their northern border. A three-page article last week in USA Today carried the hard headline: "Crime finds home in U.S.-Canada border—Drugs, terrorism, smuggling provide calls for tighter net."

Previously quoted was Congressman Lamar Smith, a Republican from Texas who was the main author of the 1996 immigration law and who has become the most vocal proponent of tightening up U.S. borders. Smith's office readily distributes articles and background papers that paint the Canada border as an easy path for anti-drugs and terrorism. They cite cases such as that of Gauri Altaf Mehta, a Palestinian who was released in Canada, snuck into the United States, and was arrested in July, 1997, while allegedly plotting to bomb New York's subway system. And they quote from an April report by the Canadian Security Intelligence Service, which acknowledged that most of the world's terrorist groups "have established themselves in Canada, seeking safe havens, setting up operations and attempting to gain access to the U.S.A."

For Smith, that means the seemingly porous Canadian border is potentially big trouble. "We have an open border that is an open invitation to people who want to smuggle in drugs or people or terrorists," Smith told Mehta's before citing a congressional hearing into the border issue last week. "Given new information about international terrorist based in Canada and ongoing drug busts along the northern border, it appears that terrorists and drug smugglers have discovered the easy way into the U.S."

Smith is also the key person behind another controversial part of the 1996 law—one that has given life to Canadian officials in Washington for months. Section 110 of the law would require strict entry and exit controls at all U.S. borders. Its premise is to crack down on illegal immigrants by keeping track of people who enter the United States illegally and then reenter their visa. The law says those controls are to be implemented as of Oct. 1.

But with the deadline just over a week away, an eye has been fixed not how to do that. Opponents warn it would create headaches for those at major border points by requiring Canadians to fill out forms as they cross into the United States—and then check again.

WORLD

with American agents as they go home. And last week, the U.S. Senate split the measure a major blow by voting to repeal it. Senators from several northern states, led by Republican Judd Gregg of New Hampshire, added a one-line provision to repeal Section 130 onto a spending bill and senators passed it by a vote of 89 to 0.

Raymond Chretien, Canada's ambassador to Washington, had been lobbying furiously against Section 130, warning that it would hurt American politicians and business groups in the consequences of new border laws. Just an extra 30 seconds' delay per car, he is kind of pointing out, could lead to hours-long backups and three businesses that depend on just-in-time deliveries from the other side of the border into chaos. But agents from foreign—

even from Canada—carry much too much on Capitol Hill. So Canada encouraged U.S. interests who would also feel the pain to make their voices heard, and discreetly encouraged the formation of a coalition named at long last with Section 130, led by the U.S. Chamber of Commerce.

Last week's Senate vote bought opponents some time on the border issue, but Section 130 is not dead yet. The House of Representatives has agreed only to postpone its implementation for a year, and the two chambers will fight it out as what should finally be done. But Chretien said the Senate's 89-to-0 vote sends a powerful message. "Lamar Smith is bound to see that the Senate in its entirety—Republican and Democrat, northerners and southerners—an agreed it," he said in an interview.

But even if Section 130 never goes into effect, the other rules that have made the border a less friendly place will be unaffected—in particular the expedited removal process that ended Joe Chretien's duty commute to Bellingham. U.S. officials insist the entry in Canada is unwarranted. They point out the vast majority of those subjected to expedited removal—some 47,000 in the first year of its existence—were Mexicans. Only about 300 were Canadians, and even Canadian officials note that most were ineligible to enter the States—often because they have criminal records. Ottawa will not denounce the procedure, partly because it uses its own version of expedited removal to exclude unwanted aliens without appeal.

At the same time, officials of the U.S. Immigration and Naturalization Service are fed up with suggestions they are persecuting Canadians. When Macdon's raised Chretien's case with INS spokesman Bergeron, he quickly made available a transcript of an interview conducted by border agents as part of the procedure that led to the expulsion. In it, Chretien appears to acknowledge he did not work for the Bellingham company, which was not permitted under a visa. Chretien says it was all a misunderstanding, but Bergeron is unyielding: "You told the truth or you told a lie, that's your choice to live. That's a no difference in Canada or the United States."

And the INS insists its suggestions that its frontier people are out of control. Bergeron says criticism of heavy-handed methods misses the point: Congress wanted a tough law to crack down on people who try to live the easy way up to the United States—and got it. "It's just people flaking their jobs," he insists. And the lack of an appeal procedure is not an arbitrary whim. Congress deliberately did not provide the way to ensure aliens were removed promptly ("expeditiously" in the law's language).

Overworked agents tend to be grumpy

crossing in Blaine, Wash., opens the workload riddling: "We have inspectors working double shifts, 10-hour days, sometimes three or four days in a row." Others say a tougher law may embolden border agents to be less than fully cooperative. "Some of them just let the border pass," says Greg Bates, an immigration lawyer in Bellingham. "If you give it to them, they'll use it."

Of course, the great majority of Canadians who run into trouble



Chretien: So much for the world's longest unbordered border!

are not subjected to the hardships of expedited removal. But immigration lawyers say many others are being tossed back at the border for reasons almost unheard of until recently. Jason Bennett, a researcher from London, Ont., tried to cross at the Niagara Falls Peace Bridge on June 12 with his girlfriend, Jennifer Evans, a Canadian studying at the State University of New York. He was asked aside and told to prove that he intended to return to Canada and not stay—despite by—the United States. He produced a passport, bank statements and credit card statements that he was refused entry when he could not produce an income tax return. He suffered no penalty, but if a U.S. official asks him in the future whether he has ever been refused entry to the United States, he will have to answer yes or face severe repercussions.

A few Canadians are challenging the expedited removal process through a class action lawsuit filed in U.S. District Court in Washington by a public interest group called the American Immigration Law Foundation. Four of the 35 plaintiffs are Canadians, including Steven Williamson, a 26-year-old businessman in Bellevue, Wash., who tried to cross the border at Detroit in June, 1997. He was on his way to meet the owners of a business in Arizona in which he had invested \$200,000. He never made it. Border agents accused him of being about the trip and banned him from the United States for five years. Now, says Williamson's father, Paul, he has reached an agreement

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with U.S. authorities to erase the offense and get back into the States. But it cost a small fortune in legal fees. "After \$100,000 and 15 months," says Bud Williamson, "we'll be back to Square 1."

Or take Brian Shaver, whose name perhaps best illustrates the new realities for Canadians. A 30-year-old Dodging scriptwriter from Toronto, Shaver tried to cross into the United States last Aug. 26 at the Rainbow Bridge over the Niagara River. He had spent 12 years in the States, earning his high school diploma, Switzer's said, master's degree. The border had been obliterated in his mind—a nuisance he wanted to dispense with as quickly as possible so he could catch a flight to Los Angeles from Buffalo, N.Y., to sell a screenplay. So he did what untold numbers of Canadians have done before—he lied to a border agent. "I didn't want to say I had a one-way ticket to L.A. because obviously it would open a Pandora's box, so I said I was going to New York for Labor

A flow of power pot

The driver and passenger who averted up to the border crossing at Lynden, Wash., could have been just another pair of Canadian border-hoppers. A woman in her early 20s and her gray-haired, fifty-something mother, heading south for a spot of shopping at an American mall. Crossings are normally quick at Lynden, the last of four border stations south of Vancouver. But on this February day, U.S. customs officers were conducting a "black blitz." Agents directed up to 20 vehicles at a time to a parking area, ordered drivers to open their trunks, then turned sniffer dogs

Enforcement Agency officer in charge of interdiction along the western portion of Washington state's border with Canada. "The potency for excesses most of what's grown in California. This stuff will knock your socks off." American smokers are equally admiring: in markets like San Francisco, B.C. marijuana can fetch \$6,000 (U.S.) a pound.

But the facts do not quite match the hype. Some evidence suggests B.C. pot is not as strong as advertised. RCMP sources told *Maclean's* that a laboratory analysis of cannabis seized in the lower B.C. mainland in 1995 measured an average potency of just eight per cent THC content—the active chemical in marijuana—nowhere near the 25 per cent that U.S. law enforcement officials claim. Nor are the differences between Canadian and U.S. penalties for cultivation and trafficking as wide as American officials suggest. Agent Flago concedes U.S. federal prosecutors will not proceed with cases involving much less than 225 kg of processed pot, leaving smaller-scale prosecutions to state attorneys where sentences are less harsh. Meanwhile Canadian police have stepped up raids on so-called grow-houses, where the best quality pot is produced using hydroponic techniques.

But odds still favor the smugglers. Despite surveillance by U.S. border patrols and a network of remote sensors, much of the frontier south of Vancouver is barely marked let alone guarded. Along Zero Avenue in suburban Surrey, only a ditch and the occasional white-painted concrete pillar separate the two countries. Flago admits that, along much of the border, "you can walk 20, 30, 40 km, across, no problem." The big volume of smuggled marijuana became clear earlier this year during Operation Green King, a two-month drug-smuggling crackdown along both the northern and southern U.S. borders. Inspectors at the four Vancouver-area crossing points made a handful of seizures of cocaine, heroin and hashish, but failed an astounding 503 kg of marijuana, worth \$6.7 million. Flago laughs at the trade imbalance. "We've given you everything we could think of: heroin, LSD, mephedrophenones, cocaine," he says. "But you guys have us beat with the pot."



Sniffer dogs at U.S. crossings: "This stuff will knock your socks off!"

lowers on the cars. Coming upon the women's 1991 Dodge Shadow, the dogs found what they were sniffing for: 30 B kg of high-grade B.C. marijuana, concealed in a compartment behind the backseat.

The seizure was one small victory for American lawmen over a new wave of dope-runners bent on smuggling the potent cannabis known as "B.C. bud" into the United States. British Columbians may complain that a once-welcoming border is becoming more difficult to cross. But American officials counter that tie-ups are inevitable as long as the southward flow of powerful pot continues. They blame the surge on two things: relatively lighter Canadian penalties for growing marijuana, and the high quality of Canadian weed. "Canada's got phenomenal bud," says Michael Flago, the U.S. Drug

Day? "Shaver recalls, "I thought he'd say, 'Good day into the Blue Apple for me.' I was naive. He got suspicious."

Shaver says he immediately resisted the lie and told the truth, but the agent who pulled him aside gave him no second chance. "When I explained what I was doing, he said 'You know what a felony is? You're looking at five years in a federal penitentiary.' I couldn't breathe. It was like Memphis Agents with my heart beating like a drum." Shaver was subjected to expedited removal and barred from entering the United States for five years—a huge blow to his plans to make it in Los Angeles. A Buffalo lawyer, Robert Kolman, has taken Shaver's case to U.S. Federal Court. He will argue that under existing American regulations, Canadians have a right to a hearing before an immigration judge before being barred from the United States.

Shaver accepts that he is partly at fault, but says he "wasn't thinking with a criminal mind. I just wanted to get by quickly. One has to take the consequences for one's actions, but I don't believe the consequence for this is just." Unfortunately for Shaver, he learned the hard way that the old friendly border is not what it used to be.

With CHRIS KOCH in Bellingham, BORN/NOON in Seattle and STEPHEN GLUCK in Washington

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World NOTES

ARREST IN ULSTER ARSON

Police in Northern Ireland arrested a 23-year-old salesman, Thomas Gimoux, for the arson attack that killed three young Catholic brothers last month. Jason, Mark and Richard Quinn burned to death in their beds when gasoline bombs were thrown into their home in a predominantly Protestant public housing complex in Ballymoney. Gimoux denied the charges.

JAPAN PLAYS IT SAFE

Japan's ruling Liberal Democratic party stuck to form by choosing cautious Foreign Minister Keizo Obuchi as its next leader. The move disappointed foreign investors eager for bolder economic reforms. Obuchi is unlikely to win this year's parliamentary vote to replace Ryutaro Hashimoto, although some young party members remain unhappy with his selection.

IRAN TESTS MISSILE

Iran tested a medium-range missile that could reach Israel, Turkey and Saudi Arabia. A U.S. spy satellite detected the launch of the Shahab-3, which is modeled on North Korea's Rodong missile. Washington said the test was evidence of Iran's campaign to build up its military strength.

LORDS DEFT BLAIR

Gay activists shamed themselves to railings and joined members of Britain's House of Lords after they outlawed legislation passed in parliament that would lower the age of consent for homosexual sex from 18 to 16—the age of consent for heterosexuals. Critics accused the predominantly Tory lords of blundering their roles as Tony Blair's Labour government, which plans to reform the sex-elected body.

GOING TO BEATLELAND

Tourists can now visit the modest Liverpool row house where Paul McCartney grew up and wrote his first hits with teenage shun John Lennon. The pair wrote Love Me Do and I Saw Her Standing There in the front room of the two-story home. Britain's National Trust—which normally preserves such older heritage homes—restored the McCartney house to its 1930s state. McCartney lived in the house from 1955, when he was 13, until 1964, when the constant presence of groups in the front parlour forced him to flee.



Combating a young survivor's wounds and shock.

Deadly tide in New Guinea

A storm's shock riddled the north shore of Papua New Guinea last week. Geological tremors echoed from a July 17 undersea earthquake, which measured 7 on the Richter scale and triggered massive waves that killed at least 1,500 people. Other survivors also faced the emotional shock of dealing with a staggering number of wounded, dead and missing. At least 2,000 of the 10,000 people who once lived in three coastal fishing villages are still unaccounted for; many of their children, most swept away by the waves or buried under piles of debris. Soldiers and workers and missionaries gathered what bodies they could find and buried them, without ceremony, in shallow graves in the sand that the other bodies continued to rot in the sea and had to be cremated in portable fires. Creaked, pipes and wild dogs scavenged among the dead, and authorities warned survivors not to return to their former villages because drinking water was contaminated.

Some outbreaks of disease were already being reported. Gangrene caused by bacteria filled coral sand collected near wounds and required surgery to amputate many limbs. International

relief agencies scrambled to get help to the remote region, and Ottens sent \$100,000 in relief aid, mostly in emergency supplies of clothing, blankets and cooking utensils. But Bill Skene, prime minister of one of the country's 18 million people, stated that evacuation of the stricken might be necessary.

While most of the physical wounds were being treated, it will be harder to find bodies for the missing and emotional trauma the tsunami left behind. Survivors told horrifying stories of children being torn from their girls in the cascade of water. A few people did return to their ruined beachfront homes, sifting through piles of twigs for their possessions. But others refused to come down from surrounding hills where they had fled in fear of more waves. "We are afraid the sea will come again," said Wayne Rose as he built a new home in a makeshift camp on higher ground. Inland Timore, whose wife and three daughters were killed in the wave, invited his former town of Arua would be no back. "The people will go back," he said, but also expressed respect for the power and violence of nature. "We will build new houses away from the sea."

PINPOINT STAFFS

Death on Capitol Hill

The shooting at the Capitol building in Washington, broke out at 3:40 p.m. on Friday, July 26. When it ended, only minutes after two years in Capitol Hill police officers, Jacob Chestnut and John Gibson, lay dead, one female found was seriously injured, and a man—Russell Weston, 43, of Ames, Mont., later identified as the suspect in

the attack—critically wounded. According to witnesses, the gunman went through the metal detector at the front entrance and shot Chestnut with a .38-caliber handgun while the 38-year-old police veteran told him to come back and pass through the detector. After another officer returned the two gunmen ran into a suite of offices, where he was confronted by Gibson, also a 38-year veteran. Both men went down in the ensuing exchange of gunfire. In the wake of the tragedy,

as police searched for a motive. For the attack, Washington had a history of mental problems and had been hospitalized two years ago as a "low-level threat" to President Bill Clinton. Reached in Montana, Weston's father told reporters that his son had been a drinker and "didn't have too many friends"—and that he had recently kicked his son out of his home after he shot into a down class with his father's shotgun.

The great paper swap

BY ANTHONY WILSON-SMITH

The principal business of Southern Inc. is delivering news to the public, but that commitment does not necessarily extend to the company's own operations. After Conrad Black, chief executive officer of Southern, announced plans last March to launch a national newspaper, key details—including such basics as its name and design—were kept secret even from staff members. And when negotiations began in early July to buy *The Financial Post* from Sun Media Corp., only top executives at Southern and its parent, Hollinger Inc., saw the ongoing effort. Most employees of the new paper—where plans are now being completely altered—learned of the deal as rumors began surfacing three days before it was announced on July 20. And the publishers of four newspapers that were traded to Sun Media as part of the package found out their fate just five days in an 8:45 a.m. phone call from Don Balbek, Southern's chief operating officer to them: Seth Balbek, "It was hard and painful to keep this quiet from our people, but we had no choice."

Now, Canadian print journalists about to be transferred again—as has happened several times since Black acquired control of Southern in August, 1996. The terms of the deal are straightforward and market analysts say positive for both sides. Southern acquires the *Post* and \$130 million. In return, Sun Media establishes itself as the largest force in the Toronto southern Ontario market by acquiring four newspapers: *The Hamilton Spectator*, *Kitchener-Waterloo's The Record*, *The Cambridge Reporter* and *The Guelph Mercury*. The deal, officials on both sides say, will likely close by mid-September at the latest. Those new holdings, along with *The Toronto Star*, *The London Free Press*, and several smaller newspapers, will give Sun Media newspapers a circulation at the top of 580,000 daily, compared with the 515,000 owned by *The Toronto Star*. Says Sun Media CEO Paul Godfrey, who negotiated the deal: "We have always said we are in this

Godfrey at *The Financial Post* newsroom. Black (below) discusses



10,310,260

Southern Inc. 4,958,459
Sun Media Inc.

WHEN THE INK IS DRY
With the four Southern papers, Sun Media is increasing its Canadian circulation.

business to grow, not maintain status, and again, we've proven that." The advantages for the two companies are clear—and so are potential problems. Southern, in one move, has eliminated a competitor and acquired an established product around which to build its national newspaper. *The Post*, in its present form, is likely to cease to exist instead, Balbek said, the new national daily will be a general-interest broadsheet, although it will have an extensive business section staffed largely by former *Post* employees. Instead of the estimated \$130 million Southern expected to lose over the next five to seven years with the new newspaper, it has collected \$150 million in cash—and some senior Southern officials now express the hope that the new paper will be profitable within less than half that time. On the negative side, it has given up four profitable newspapers and picked up a newspaper that had its first-ever profitable year in a daily last year—in a booming economic environment that is unlikely to continue. "People say the *Post* turned a corner last year," says Rupert Parkinson, publisher of the *Star* and *Mail*. "That you have to ask if that will look like a corner or an aberration when the next recession comes."

Both Sun Media and Southern are expected to benefit from the deal

The Sun group, in turn, has gained a newspaper publishing company that are located close to each other geographically, which will in future allow for some cost savings through sharing of staff and services, and offer added incentives for advertisers. The new properties have combined annual revenues of about \$130 million, and Southern sources have said in the past that returns on revenue on some small Ontario newspapers exceeded 20 percent. And in selling *The Financial Post*, the company has when the property most vulnerable to the upcoming national newspaper. "We now have a selection of monopolies in key markets, and the financial security this implies," says Godfrey. The downside is that the Sun group's debt by the end of this year is expected to reach \$400 million, up from \$302 million last year.

Still, in the wake of the deal, market analysts were bullish on both companies. "The market never sleeps uncertainty, and there was a lot of that attached to Southern's new paper," said R.J. Waldersee, an analyst at Deutsche Capital Corp. in Toronto. "Now, they have removed much of that." And, said Mark Metrick, an analyst with Southern and *Post's* The Sun group now has more debt, but we are satisfied that their increased revenue will do a lot to deal with that." Concedes Godfrey: "We are pretty much stretched in the way comfortable sale." But Parkinson and *Post's* affiliated editing strategy on Sun Media and Hollinger, and shares in both companies rose by more than 5%.

That does not remove uncertainty surrounding the direction in which both companies will take their new properties. Many questions remain about Southern's national daily. In an interview at week's end, Balbek said the planned Oct. 3 launch "might be something we have to move away from." Then, there are key staffing decisions. The new paper already has a publisher (Balbek), an editor-in-chief (Michael Whyte), and other personnel hired for senior management positions—as does *The Financial Post*. Whyte appears certain to run the national daily, while the fate of others, including *Financial Post* publisher William Neill and Maryanne McMillin, the vice-president of news, have not been decided. Overall, Balbek says: "We plan to integrate all *Post* employees into Southern." Most will move to the new offices of the new daily—where, in their changes, means focusing their downtown Toronto offices for Southern's newly built newsroom at its head office in suburban Don Mills. Some may be assigned to other newspapers, and Balbek did not rule out layoffs or buyouts in the long term.

Some things have not changed. The Southern daily has no name, and its direction is no more clear. Balbek says that "we need to sit down with the *Post* people to talk about the future, and we cannot do that till the deal is formally complete." A new name is likely to be announced within the next two weeks. One potential choice, *The National Post*.

Meanwhile, one of Godfrey's first tasks after acquiring the new newspapers was to ensure that employees that no major changes are planned. All are full-time breadwinners, while most Sun newspapers are characterized by their tabloid format, race writing style and chaste pictures of partially clothed and women, the notorious *Sunshine Boys* and *Sunshine Girls*. "One upside is that if it isn't broken, don't fix it, and they aren't broken," said Godfrey in an interview. As well, he promised: "There will be no new Sunshine jobs." The experience at *The London Free Press*, which the Sun bought last year, supports that assertion. The newspaper has released a broadsheet with its staff largely unchanged—except that made a much higher one, according to Maclean's Ontario, a reporter and chief of the paper's staff of the Southern Ontario newspaper. "We expected the worst, but have been pleasantly surprised," he says. The union has signed a three-year contract providing for raises of two per cent each year; pension benefits have been improved, and, adds Delano, "in response, we have been made to feel involved in ways that did not exist before."

Still, there are uncertainties. At *The Hamilton Spectator*, publisher Patrick Collins was in the final stages of choosing a new editor-in-chief when the sale news broke. That decision has now been delayed until late September, which has about the same circulation as *The London Free Press* but about 50 more newspaper employees, may lose profits. There has always been an overlap in circulation between the *Kitchener-Waterloo Record* (circulation 60,000) and *Cambridge Reporter* (circulation 5,000). But there is speculation that the *Reporter* might be absorbed by *The Record*.

The deal that opened such possibilities seemed implausible as recently as a month ago, according to Godfrey: "I was not prepared to give up *The Financial Post* without acquiring properties in return," he says. "And I presumed Southern would not do that." Then, he received a call from Southern deputy chairman David Miller, the company's financial partner. That led to intensive face-to-face meetings involving the two men. Southern lawyer Peter Atkinson, and Sun Media lawyer Dale Lashman, "Kitchener and four other hard-core deal-makers," says Godfrey. "At times, Dale and Peter had to move fast to bring it to a speedy close."

Still, both sides were satisfied at the point where they made a cooperative deal. The Southern daily will be printed at the 400-page Sun-owned printing plant at the *Monmouth Spectator*. "I think we came away with a better regard for each other," says Southern's Balbek. And the *Globe and Mail's* Parkinson, preparing for battle, has at least backhanded praise for his competitors. "Two companies have moved from positions of weakness to become less weak," he says. "Now we have a better look at who we're fighting." There are strong words from the outboard general Parkinson, and appropriate for the toughest competition he now confronts. □

Tailpipe tug-of-war

A year ago, after much bickering and puffing about the need to protect Canadians from "dangerous and toxic pollutants," then Environment Minister Sergio Marchioli passed a ban on the importation of the gasoline additive NMET. The notorious resistance he said grows up the pollution control regime in cars and poses a hazard to health and the environment. Marchioli's message to the industry was simple: give us chemicals or get out of town.

Good for him. But well—it turns out that Ottawa got it wrong, at least according to Marchioli's successor in the environment portfolio. Last week, Christine Stewart announced a repeal of the ban, saying there is no proof that NMET is hazardous. According to Stewart, there isn't even sufficient evidence that it damages sensitive ecosystem areas.

If you're puzzled by the government's sudden about-face, join the club. In fact, everything about the NMET issue is confusing, in part because all the talk about safety and the environment is—as you intended—a smoke screen for what's really at stake in this debate.

Start with the oil companies. They love NMET because it's the cheapest way to boost gasoline octane levels so as to meet automakers' engine requirements. Without it, the industry would have to spend between \$250 million and \$120 million to upgrade its refineries. If the oil amount was passed on to consumers, it would result in a temporary, one-year price hike of roughly 10 cents per litre. The Canadian Petroleum Products Institute, however, says that some of the larger refiners have already made the necessary modifications, and that competition would prevent others from making their profits.

The auto industry is similarly located on the bottom line. General Motors, Ford and Chrysler—together with most European and Asian carmakers—say that NMET can, over time, interfere with the computerized diagnostic systems in new cars. There are also studies suggesting that the additive can coat the tips of spark plugs and cause misfires. When either of those problems occurs, a dashboard warning light tells the driver that the car should be serviced. So what? So the automakers are worried they

will face higher warranty repair costs. Presumably, more frequent trips to the service department would also mean lower resale values.

Both the automakers and oil, therefore, have a financial stake in this argument. So does the additive's U.S. manufacturer, Ethyl Corp. of Richmond, Va., which forced Ontario to rescind the ban on the grounds that it violated the North American Free Trade Agreement. For further convincing, the U.S. claims that NMET, it argues that the chemical actually helps the environment. That's because, without it, oil companies have to employ a more intensive refining process that consumes slightly more crude oil to produce a given quantity of gasoline. There is also evidence that NMET reduces auto emissions of nitrogen oxides.

As you might suspect, these two sides are probably not to Ethyl's chagrin. For two decades, the company has been trying to convince American automakers to use NMET in their gas. In 1996, the company was ordered to overturning a U.S. Environmental Protection Agency ban on NMET, but the additive remains illegal in California and much of the eastern seaboard, and the EPA continues to oppose its use. Canada is the only country to require its use.

The EPA continues to oppose its use. Canada is the only country to require its use.

Naturally the greed and laziness of U.S. marketers matters a great deal more to Ethyl than does Canada. But one of the loudest in Ethyl's lobbying campaign south of the border is that its product is the only one available in Canada for 21 years with, as yet, no proven health effects. Some studies appear to show a link between long-term exposure to low levels of NMET and various nervous-system disorders, but for now the scientific evidence is inconclusive.

Yes, it's confusing. But two things are clear. First, Canadians are being used as guinea pigs to help Ethyl make the case for NMET in other markets. Second, oil companies wouldn't use NMET if they or their customers were prepared to make a relatively small investment for the sake of cleaner gasoline.

Come to think of it, why don't the automakers get the ball rolling by offering to foot part of the bill?

GM STRIKE IN ABERRATION

As two workers against General Motors Corp. dropped on a flat, Mich., the company and the United Auto Workers union agreed that the case will be in independent arbitrator. If the arbitrator rules in GM's favor, he could order an end to the walkouts, which began on June 5. The hearings, held in Detroit and Flint, were closed, but the positions are well-known. The arbitrator alleges the union violated its national contract with the UAW but the union maintains the strike is over local issues. The actions have died 27 of GM's 25 North American assembly plants, including its truck plant in Oshawa, Ont., which shut down last week, causing 3,000 layoffs.

MARATHON FINES

First Marathon Inc. was hit with a record penalty when the Toronto Stock Exchange fined the brokerage and three of its senior officers more than \$4 million. That includes \$250,000 against founder and chief executive officer Lawrence Bloomberg for failing to supervise his staff. The punishment arises from a BSE investigation dating back to 1995 into the firm's involvement in investing promoter and underwriter of stock in junior mining company Century Resources Corp. In a related investigation, First Marathon also agreed to pay a penalty to the Alberta Securities Commission, with the amount to be disclosed this week.

THE JUICE RIGHT

Pepsi is taking on Coke, the world's most popular soft drink, in an all-out battle in the U.S. To compete with Coca-Cola's Minute Maid brand, PepsiCo has launched "Tropicana Products," the leading seller of orange juice with sales of \$3 billion last year, for \$1.9 billion from J. M. Smucker Co. Ltd. The Canadian liquor giant, which owns Universal Distillers, is selling equipment to help raise money for its \$16.5 billion purchase of the Poly-Growth company.

CREATING A GIANT

Shamrock Foods of Montreal-based paper giant Avonco is endorsed a \$25-billion takeover by American competitor Dover Inc. The deal, valued in March, calls for Avonco, a \$2-billion company to be acquired by Dover, which has \$50 million, to create one of North America's largest frozen products companies.

Training in stereotypes

At first glance, the textbook hardly seems controversial. Titled *Canadian Stereotypes*, it is used in a training course developed by the Montreal-based Institute of Canadian Studies for banks. Although only the Royal Bank makes it mandatory, but last week, in response to inquiries from Maclean's, both the ICB and the Royal Bank dropped portions of the text on the grounds that they are offensive and based on ethnic and sexual stereotypes.

Written by Rukh Taneja, a business professor at Concordia University in Montreal, the four-year-old book discusses the common traits and characteristics associated with successful entrepreneurs. One important factor, it suggests, is culture. "A survey by Multicultural Canada revealed that, among entrepreneurs, 60 per cent are of Indian and Jewish descent." Other studies have also revealed that there is a national level of entrepreneurial activity among Canadian and Filipino immigrants residing in Canada. The book adds, "On an individual level, it has been suggested that entrepreneurs are drawn to stereotypical characters portrayed on

television and in early childhood." Elsewhere, the book notes that many women start their own businesses to escape sexism in the workplace. Even so, "research has found that male-owned businesses perform better than female-owned businesses," in part because women's upbringing "focuses on sharing and taking risks," rather than on winning and taking risks.

When Affleck contacted the Royal Bank about the material deleted from its training course, Rukh Taneja said she was not writing with it. A day later, however, the bank said it had withdrawn the text from its training program. The bank's senior public affairs adviser, Roy Hurd, issued a statement describing the book's contents as "offensive." He added, "As a result of this issue, we will be reviewing all course material developed by ICB to ensure it meets Royal Bank standards."



Royal Bank course offensive

television Canada said the department has never studied the links between culture and entrepreneurial ability. Instead, meanwhile, played down the significance of the racial generalizations. "It's only one school of thought—I'm not really a fan of this cultural approach to entrepreneurship."

FINANCIAL OUTLOOK

After two straight years of virtually no growth, Canadian labor productivity is different. In the first three months of this year, the rate of growth was 2.9 per cent in 1997. That was its best performance since 1984, when labor productivity grew 3.3 per cent as the economy recovered from the 1982 recession.

Despite the sinking rates, consumers continued their 1996 spending spree. According to Statistics Canada, retail sales were \$20.9 billion in May, up 0.5 per cent.

EFFICIENCY



With most countries around the globe coping with the fallout from the Asian financial crisis, this year is shaping up to be the worst year for the global economy since 1991.

—TD Bank

Christine Gorman Hall and Paul Gorman Hall
http://www.christinegormanhall.com
http://www.paulgormanhall.com
http://www.gormanhall.com

An insurance plan 'windfall'

Just days after their Toronto wedding in 1997, Anne and Wallace Hileman were visited by an insurance agent. Anne joined the office, while the salesmen spread his brochures as the kitchen table. Then, like thousands of young couples, the Hilemans listened politely and bought a whole-life policy valued at almost \$60,000. Because they had purchased insurance from a so-called mutual company, which operated much like a co-operative, they automatically became part owners. Could vote at annual meetings, and were paid a dividend each year from the company's profits. But that could soon change. Faced with growing competition, Canada's four largest mutuals want to start operating like publicly traded companies. Before they can do so, they will have to spend a staggering \$50 billion to buy back the ownership position of their clients—in what will be one of the largest transfers of wealth in Canadian history. Says Robert Seifman, chief financial officer of Canada Life Assurance Co.: "It really is a windfall for our policyholders."

What exactly is why are many of the two million policyholders—who will receive an average \$5,000 each—not cheering? Bill Pedmore, president of the 300-member Insurance Companies Group in Montreal, says they simply do not trust insurance salesmen. Recent events have only added to the mistrust. On July 6, an Ontario Court judge approved a \$60-million settlement in a class action lawsuit against Toronto-based Sun Life Assurance Co. of Canada over the so-called misleading premium controversy, in which dividend payments on policies were cut between 1980 and 1996. The decision also clears the way for similar settlements by 14 other insurance companies. Despite the settlement, Pedmore's group is still suspicious of the industry, which he says has kept its clients in the dark over the buyout plan, known as demutualization. But on June 24, Industry Canada gave the group \$45,000 to establish a national task force to look into the issue. "There have been lots of good words," says Pedmore. "But we have not seen anything concrete [from the industry] yet."

The four companies—Sun Life, Canada

Why some consumers are wary of industry promises



Pedmore: suspicious about takeover—and demutualization

Life, Mutual Life Assurance Co. of Canada and Manufacturers Life Insurance Co.—all want to be on a public listing by 1999. Seifman says the industry needs to proceed quickly if it is to stay competitive in the rapidly evolving financial services sector. Without access to the stock markets,

FOUR-WAY CLOUT



he says, the mutual insurance industry can not raise enough capital to expand or take over rival firms. As well, Robert Askey, president and chief executive officer of Mutual Life, says the full value of the four companies is not fully realized because they are not listed on the stock exchange where the bull market has propelled financial stocks to record highs. As a result, he says, policyholders, who own the compa-

nies, are being robbed of investment income.

Injecting \$30 billion directly in to the Canadian economy is also expected to boost business activity in Britain and Australia, where some mutual insurance companies have already been demutualized, studies show that 25 to 35 per cent of policyholders cashed in their shares within months. In similar scenarios unfolds at Canada, Askey believes that it could add as much as 0.3 per cent to gross domestic product and create as many as 12,000 new jobs in the 18 months following the restructuring. The increased economic activity could also generate nearly \$1 billion in new tax revenues during the same period.

Still, in some demutualization cases in the United States, policyholders received very little, or nothing at all, in exchange for their ownership position. Askey, however, insists that in Canada there will be no such stockpiling packages for executives and the procedure will be completely transparent. Policies will remain unchanged and dividends will still be paid. The only real change will be to restrict policyholders to electing just seven of 21 on corporate boards. Pedmore, however, wants to read the fine print, and he has written the heads of the four companies asking them to put his task force. "The industry has a real image problem," he says. "It's important that they explain what they are doing."

The federal government is also watching. On July 6, Secretary of State for Finance Paul Peterson met in Toronto with Anne Hileman, who has been fighting the insurance industry over its tactics virtually since that first meeting in her kitchen. She is now chairwoman of the Canadian Life Insurance Policyholders Association, a consumer lobby group. Peterson told her he wants the industry to hire independent actuaries to determine what a fair price for the shares should be. And like Pedmore, Hileman believes a national election process is essential. "There should be a full discussion," said Hileman. "The real strength should be in the hands of policyholders." It will be up to them to decide whether demutualization will amount to a windfall or a bloodbath.

TOM PENNELL



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Edited by
TANYA LAMBERT

Tenor of the times

Ten years ago, the thought of becoming a star, let alone the hottest commodity on the vocal music scene, would have made **Andrea Bocelli** laugh. Back then, the native of Lajatico, Italy, was studying law in nearby Pisa, and playing semiprofessional football in a pizzeria to cover his tuition. "My parents told me always, 'You can't live with dreams, you need something more concrete,'" says Bocelli, now 30, shifting between Italian and English with the help of a translator. "I was happy to study the material. Also, sometimes it is important in my job to know the law, not so useless after all."

The word "talent" hardly does justice to what he has achieved since releasing his first CD, a pop collection called *Viaggio* (Jasmine, in 1995). Bocelli's latest album, *Amor*, has gone gold in Canada, with sales of \$1,000. And Bocelli hopes to become even more popular with his first North American tour this summer. He brought his operatic repertoire to Canada on July 25 with a



Bocelli singing opera for the masses

concert in Ottawa, and this week is performing in Toronto and Montreal before heading to Quebec City on Aug. 3.

Bocelli was born with glaucoma, and then lost his vision altogether at age 12 after suffering a brain hemorrhage caused by a soccer injury. He started playing piano when he was 6, but didn't begin to sing professionally until he was 30. In 1990, he performed on a demo produced by U2's Bono, which caught the attention of the great tenor Luciano Pavarotti, and he hasn't looked back since. While his European success was sealed in 1993, North Americans didn't listen until he recorded *Time to Say Goodbye*, his 1996 duet with Sarah Brightman, and he hasn't looked back since.

Lloyd Webber's on-again, off-again inclusion as Bocelli's album *Requiem* (his first to include opera, it sold 800,000 copies in Canada). It is this usage of Bocelli as a pop singer that has filled some opera purists "As my audience has increased, so has the faith," says the man being touted as "the fourth tenor." But Bocelli is defiant: "I'm trying to translate opera to a wider audience, even mass audience, which is not such a bad idea."

Bocelli escapes from career pressures at his Tuscan farm house, which he shares with his wife, Enrica, and two sons, age 1 and 1. "I like farm, but I don't love it—the most important thing in my life is my family," he says, adding with a chuckle, "and my parents are happy, they no longer force me to practice law."

A dance legend and his two loves

Bob Fosse, it seems, had a way with women. Before the legendary Broadway choreographer (*Cats*), the *Playmate* columnist and director of movies including *Cabaret* and the semiautobiographical *All That Jazz* died 11 years ago of a heart attack, he enjoyed harmonious relationships with both his wife, dancer Gwen Verdon, and his longtime lover and co-vicar, dancer-choreographer Ann Reinking. In fact, according to Verdon, all three became good friends. The 73-year-old Verdon, for whom Fosse choreographed such hits as *Dance Partners* and *Sweet Charity*, recalls "When Bob was living with Annie and she got a mirror, he'd phone me up for the name of a good doctor." Now, Verdon and Reinking, 47, are once again united in their love of Fosse, this time in Toronto where they are helping stage a major show based on his work: *Revlonized Fosse*.

A Celebration in Song and Dance, the *Revlon* production opens on Aug. 9 for a three-week run, and then travels to Boston, Los Angeles and Broadway. Directed by Richard Maltby Jr., Fosse is already being heralded for saving many of the master's works from oblivion. Reinking and fellow choreographer Chet Walker have carefully reconstructed Fosse's dances from old notes and films. When they got stuck, they turned to Verdon. "You just like Fosse's dog," she says. "When they turn that music on, I can remember everything! Bob taught me." During rehearsals, she and Reinking, who also danced for Fosse, often recreated the cast by demonstrating those exuberantly original moves that Fosse derived from such sources as vaudeville and strip shows, says Reinking: "He could make the slightest society side of life feel very elegant."



Reinking (top) and Verdon mesmerizing

The Dark White Spirit

BACARDI Superior

Of mice and men

After rodents, are human clones next?

BY MARK NICHOLS

I was a humble setting for an epochal scientific breakthrough—a nondescript two-story building tucked away on the sprawling University of Illinois campus overlooking Honolulu's Waikiki district. There, in a windowless laboratory run by biologist Ryuzo Yanagimachi, a post-doctoral student named Teruhiko Wakayama began working long hours last year on a pet project that gradually became a consuming passion for scientists in the lab. The work was crowned by success last October when the researchers cloned a healthy new-born female mouse that was an almost exact twin of its genetic mother. Soon, there were 10 infant mouse clones—all females. Extracting cells from the clones, the team reported the present until they had produced a total of 50 cloned mice spanning three generations. At a news conference last week in New York City's Science Library, Yanagimachi's team described the feat, which settled beyond a shadow of a doubt the hotly debated issue of whether mammals could be cloned from adult cells. Back in Hawaii a few days later, the 68-year-old Yanagimachi confessed that it had been a grueling effort. "It has been like climbing a mountain—it's very tiring," he admitted—then ticked off a list of future projects flowing from his team's achievement.

As well as constituting a quantum leap forward in the art of producing duplicates of adult mammals, the Honolulu mouse-cloning feat was also significant last year's ground-breaking work in Scotland. In February 1997, Dr Ian Wilmut and fellow scientists at the Roslin Institute south of Edinburgh revealed that they had engineered the birth of the celebrated—and controversial—sheep Dolly. Now, says Joe Foweraker, head of medical genetics at the University of British Columbia medical school in Vancouver, "The work in Hawaii puts to rest the debate over Dolly—now shows that the cloning of adult animal cells is something that's certainly can be done."

More convincingly, there was wide agreement among scientists that the Honolulu breakthrough, reported in the current issue of



Wakayama (left), Yanagimachi show their mice: first breakthrough clone Dolly the sheep

the British science journal *Nature*, shattered the unspoken notion of cloning humans from the world of science fiction into the realm of the possible. "The more we understand about cloning," says George Seidel, a cloning expert at Colorado State University in Fort Collins, "the closer we are to replicating humans. It is now clearly more imminent."

On a practical level, the successful experiments in Honolulu opened the way for a stepped-up effort by scientists to use cloning technology for the extraction of pharmaceuticals from the milk or blood of genetically altered animals. They could also spur research into the creation of animals with genes from more than one natural

source, to be used to create tissues and even whole organs for transplantation into humans. As a step in that direction, PPT Therapeutics PLC, a firm set up in London to develop the technologies pioneered by the creation of Dolly, and Biocatal's ProBio America, which works with Yanagimachi and his team, announced plans to collaborate on the development of a cloned pig with organs that could be transplanted into humans.

In theory, such organs as hearts, livers and kidneys from pigs should be suitable for transplantation into people because they are about the same size as those in humans. But in the past, attempts pig-to-human transplants have been derailed by organ rejection—a problem the two companies now may be able to overcome by cloning pigs that carry human genes.

The achievements of the Honolulu-based scientists demanded a quote of cloning experiments that began soon after Wilmut's team announced that it had produced Dolly from an adult sheep cell. It was an astonishing achievement: until then, the only way scientists had been able to create mammals was by splitting fetal cells at an early stage of development. Dolly showed that mature adult cells could be used to create identical twins of adult animals. But some critics led by Norton Zinder, a microbiologist at New York City's Rockefeller University, questioned whether Dolly was really made from an adult cell. Since the donor sheep was pregnant, scientists argued that Dolly might have come from a fetal cell after all.

As week critics seized the device a flurry of experiments by researchers around the world soon had been able to produce another clone from adult animal cells. (Scientists at a Japanese livestock research center announced earlier in July that they had cloned two calves from adult cow cells, but they have not yet published their work in a peer-reviewed journal.) Now the multiple cloning by Yanagimachi's team appear to go a long way towards settling doubts about Dolly. There was one remaining controversy at the same issue of *Nature* that published their report. In another article, scientists at the Roslin Institute and England's University of Leicester set out DNA profiles showing that Dolly was indeed a clone of the donor.

The cloned mice and Dolly came into existence by radically different routes. To create Dolly, the Roslin scientists took a cell from the udder of a six-year-old ewe and used a bit of electricity to fuse it to an egg from an other sheep, which they then implanted in the womb of a third female. Five months later, the mother cow gave birth to Dolly—in effect, an identical twin of the original cell donor sheep.

The technique devised by the University of Hawaii researchers was more sophisticated and reliable. They started by taking from a female mouse one of the numerous cells that cluster around oocytes and are thought to nourish the egg and steer their growth. Next, they extracted the genetic material

from the cell and injected it into another female's egg from which all the DNA had been removed.

Finally, the scientists used a chemical trigger to make the re-engineered egg begin dividing and form an embryo—which they implanted in another female mouse's womb. Since the genetic material used came originally from a female, all of the cloned mice were females as well. Genes in testing showed that the successive embryo generations were definitely not too compressed, the scientists used the natural color-coding of white fur to verify, taking samples from cells from colored animals, oocytes from black ones and using a white albino mouse as surrogate mother. As expected, the clones were coffee-colored.

Cloning techniques have clearly moved to another level of sophistication. But scientists and scientists remain divided over whether the practice should ever be used on people. "I think most people would agree on," says Paul Young, a geneticist at Queen's University in Kingston, Ont. "And to do it now would be highly unethical because the success rate for the present technology is very low." Yanagimachi's team reported that fewer than three percent of the implanted embryos survived. "You can't do that with humans," says Young, "because one of the fully embryonic might come to term and be born with horrible developmental problems."

Colorado's Seidel thinks that there could be circumstances in which it might be ethical to clone humans. In the case, say, of a woman whose only child dies after she has become unable to get pregnant. Scientists someday might be able to use a cell from the dead child to create a cloned twin. The cloning, says Seidel, would require huge resources—this is not something you could do in your garage. And probably society will want those resources to be put to better use.

In any case, adds Seidel, cloning human or mixed other animal species may be more difficult than creating genetic replicates of

BLACK PLUS WHITE EQUALS BROWN



those of sheep. "It may turn out that something you can do with a cell from a 90 day-old mouse wouldn't work with a cell from a 20-year-old horse," Yanagimachi has no problem with talking about cloning people. "All the humans on the face of the earth were adequate," he told reporters, allowing humans beings may be justified. But still, he says, we should stick to reproduction the way that Mother Nature did it for us. Yanagimachi told Madeline that one of the next projects for his team would be determining whether there were cells that were even more effective than oocytes cells for creating animal clones. Beyond that, he is anxious to explore cloning technology as a way of producing human tissues to be used in the treatment of cancer and other diseases—rather than the service of humanity rather than the unknown perils of human cloning. □

A lesson in history

Ontario school reforms hit a judicial wall

The ghosts of pre-Confederation compromises appear to have accomplished what 130,000 striking teachers last fall could not—put a stopper in Ontario Premier Mike Harris's wanted education reforms. In a 30-minute judgment last week that rolled along tranquilly for 304 pages, Judge Peter Cory ruled that Ontario's new education law and, until that Catholic school boards—but not public ones—have the historic right to raise money independently of government. It was the second case this year that a judge has determined that minority school boards have greater historic rights to preserve their autonomy than their counterparts in the public system. In April, the Alberta Court of Appeal rejected the public school boards' constitutional Premier Ralph Klein's education reforms were discriminatory because they allowed the province's Catholic boards to

opt out of a common taxation pool and levy their own property taxes. But in the Ontario case, the ruling was also full of high irony: not only did Cory's ruling have the effect of striking the teeth of Catholic trustees who had sided with the government in the court fight—and with the judge himself acknowledging that the reforms had bettered the lot of Catholic schools—but the biggest cheers seemed to come from public school supporters. Through Cory's ruling rejected their claim to an independent tax base, public school opponents of the Harris reforms nonetheless saw the decision as the knee threat that strikes the emperor's clothes.

"This has to be seen as a major development of the government's plan," says Leo Sauts, president of the Ontario Public School Boards' Association. It would be easy enough

to fix the problem by giving modest property-taxing abilities to both the Catholic and public boards. But she notes that this would fly in the face of the Harris government's vigorous anti-tax message and could also upset the delicate balance that has been struck in downloading services to the municipal level.

To effect its education reforms, the On-



James, fighting for the principle of Catholic rights



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Straight shooter

BY JAMES DEACON

It's Friday night at the Jackson Casino, a Tex-Mex restaurant in Tucson, Ariz., and the starstruck, rowdy crowd is ringing at the weekend verb pictures of beer and sly-on-caneft fights. Fresh off the golf course, Nancy Lopez and Lorie Kane sit right in. Sitting with a group of players and caddies, the two touring pros have grasped the night—and spirit—of the evening as the house sound system pounds out a steady diet of 70s dance tunes. Lopez, a Hall of Famer and all-around great girl, is full of energy and ready to party. "This place needs a dance floor," she proclaims, holding an enormous margarita.

Kane, an walk-off, co-owner, having just made the cut at the Welch's/Circle K Championship—the shot a cool 4-under-par 68 on a Monday day at Randolph Park Golf Club—she is in an upbeat mood. And when she hears the first strains of Elton John and Fleetwood's "Black Dog," she starts snapping her fingers and steps right along. Sitting nearby, her caddy, Danny Sharp, takes delight in her beer-soaked enthusiasm, but the chatterbox Kane is not easily shamed. "I was watching a TV show the other night, and there was this woman who said you need a career so you can go home and tell your friends you're feeling low," Kane explains. "Well, this has always been my song."

So that's how she does it—people have been wondering. The 33-year-old Kane can play, no question, but why alone is so confident at the top levels of professional golf, a lonely and money-ridden profession that has outcasted the few in countless bright talents. Yet the engaging Prince Edward Islander—who last season a U.S. college of a golf scholarship and did not qualify for the Ladies Professional Golf Association Tour until her 30s—looked contentedly at home the moment she was on the big circuit last fall: last year, Miss aggressive, she has been competitive nearly every week—she won 149,516 (U.S.) in her first full season, a record total for Canadian pros and good enough for eleventh place overall. The earnings impressed sportswriters, who voted Kane the top female athlete in Canada in 1997, and this year she is on pace to make even more. Going into last week's tournament in Warren, Ohio, she was the leading Canadian on the Tour with nine top 10 finishes and stood eighth overall on the money list with \$272,337.

As a result of that—and after winning last week's CPGA women's championship in Copetown, Ont.—Kane is getting the star treatment heading into the du Maurier Classic this week in Windsor, Ont., the last of women's golf's "majors" in 1998. No home-country player has won the event since Joyce Koussios did it in 1973, and Kane is not alone in trying to red that streak—there are 15 other Canadians in the field, several of them serious contenders, Gail Graham, 34, of Oranville, B.C., and Donna Cat-Jones, 32, of Lake Cowichan, B.C., have two and three LPGA victories, respectively. And Prince Rupert, B.C.'s Lisa Wilcox, 25, is again playing her best golf after recovering from a back injury. In June, she blew away the field at the Oldagole Classic in East Lansing, Mich., and captured her third Tour title with a stunning 23-under-par 202, tying the LPGA record for lowest score in a 72-hole tournament. But the Canadians will face a field that includes 48 of the 50 top-ranked players



on the Tour, including Swedish star Annika Sorenstam and Englishwoman, American Donna Andrews, Australian star Karrie Webb and Korean Se Ri Pak, a 20-year-old rookie who has won the gold world by winning three times, including the McDonald's LPGA championship and the U.S. Open.

Kane is no overnight sensation. Without a U.S. college scholarship after finishing high school, the Charlottetown native attended Acadia University in Wolfville, N.S., and played as an amateur for Canada in international competitions. She started pro at 20 and lived her game on Canada's domestic circuit, the du Maurier series, before qualifying for full-time play on the LPGA Tour in '91. That is life by most standards, but she prefers to look at the bright side. "There's no question my age and experience helped me when I first got out here," she explains over breakfast at her Tucson hotel. "I don't know that I

Lorie Kane has her sights set on this week's Classic



Kane (above right) seems to be enjoying her victory. Acting caddy (left) Tim Grayson was really into her play and every time she wins.

would have been ready when I was straight out of school."

And so many grizzled competitors, Kane stands out. She strides to the first tee every week looking like a sweepstakes winner arriving to collect her cheque. She doesn't make so much as a beep. Says of a dream to be playing at the highest level of women's golf, "Happy as a Bedouin. I'm just in love with the world, and I'm growing, as a player and a person, with every new tournament we play and every new city we visit," she says. "I love it." A sunny disposition won't get the ball in the hole, but veterans agree that attitude is every thing over the long haul—the competition is so intense that contenders can turn into also-rans in less time than it takes to say "three-putt." So it isn't a coincidence that the first thought Kane has gone from amateur to contender in such a short time, or that—and this is no mean feat—she has gone from "Who's That? Who's Who on the Tour?" social misfit, "You can't be too low," explains Wilcox. "She won't let you."

Beyond the smile, though, is one tough Islander. She was, at one time, a better basketball player than a golfer, and a decent synchronized swimmer, too. "The lucky to have played other sports," she says. "I mean, in basketball, you were tired,

never gave up." Her toughest opponent, however, occurred away from the field of play when, in 1992, she took on the Canadian Ladies Golf Association. Despite meeting all the official qualifications, she was passed over for a place on the country's team at the world amateur team championships that summer in Vancouver because the CLGA changed its criteria. When her appeal failed, she and her sister Mary-Lynn, a Charlottetown lawyer, challenged the CLGA in court and won, not only the suit but also a berth on the team. After the highly publicized legal battle, however, Kane faced crushing pressure when she finally teed off, and finished 20th. "My leg shot at the first hole, that was the hardest shot I ever hit," she says. "I could barely breathe."

Kane first learned the game from her father, Jack, a top-level amateur who once coached at the University of Prince Edward Island football team. He says his daughter got her competitive juices from him, but, being a dad, he got a lot of his temper. "Lorie has always been able to control her temper on the course," he says. "She has the desire to win, but she's like her mother—the Miss people." Kane goes outside the family for career advice, though. Her high school basketball coach, Dave MacNeil, continues to be her mentor; the man she calls when she needs a little motivation. And so the course, she knows Sharp, a former pro whose own playing career was cut short when a truck hit his legs in a car accident. Sharp is unfappable, underpins Kane's game as well as she does, and knows when she should take risks or play safe. "It's important for her just to get herself ready to play each shot," he says. The 39-year-old son of Harold has "I love you at the end."

Money is the most obvious measure of Kane's progress, but only the tapes, she has impressed her peers by avoiding the roller-coaster ride of hot and cold weeks that plague even the most successful pros. Still, she has not yet won an LPGA title, and victories, more than money, are the true signs of putting pressure. She would dearly love to give the du Maurier trophy to a Canadian golfer in her year. "That is our national championship," she says. "Ask any of the Canadian pros—the du Maurier trophy our tournament we all want to win."

Celebrity has been great, both for endorsements—she has deals with DeLotto Consulting, Bell Mobility and Canadian Airlines, among others—and for increasing a following. But even the wonders at how quickly she rose from obscurity. "When they awarded me the Canadian female athlete of the year," she recalls, "I looked at what the other women had done and said, 'Wow? I mean, that lady who triple world champion Caroline Brunet? Was incredible.'"

Back in Tucson, asking her clubhouse caddies, she watches on a nearby table where fellow golfer Nancy Sorenstam is trying to have breakfast with her 18-month-old son, No. 1 by the toddler is alternately crying her heart out and laughing. "Who's around the room. I don't know how they do it," Kane says of the touring pros. "I can barely get myself out of bed in the morning, let alone organize a little person. And when you have an early tea time—how do they do that?"

Someday, she says, she would like a family, too, although she knows (mean) life does not mix well with relationships and children, and is not about to become a Prince Edward Islander. The dream is being a late starter on the Tour, she says, is that she is establishing her career as a late starter in her life, but she is not a late starter in her life. "My time will come when I decide it's time to have a family," she says. "For now, this is what I do." And she does it well. □

SPORTS
SPECIAL REPORT

P.E.I.'s new fixed links

On an early summer evening, standing by the 17th green at Crowbush Cove, a three-course golf course, a stop in its tracks by the glorious view from atop that seaside dune. Looking east, the beaches alongside the Gulf of St. Lawrence have turned a honey-brown, and in the setting sun, the gray white seaside cottages and meandering steps of the earth's cliffs. The wind, drumming with the day, still rustles the sea grasses on the rugged sand dunes and the tall fence that lines the emerald green of Crowbush's fairways. It is a magnificent, even spellbinding sight, and precisely what makes Prince Edward Island so unlike anywhere else.

At Crowbush Cove, however, it is best to avoid distractions. Though compelling, the raw environment can be the enemy to anyone with a club in hand. The ocean breeze, unchecked by the island's gentle, low-lying landscape, can redirect a well-worn shot far from its appointed destination, and any ball that lands in water or



Green duties loomed: Crowbush's clubhouse (left) high on the dunes overlooking the golf course of Scotland and Ireland.

defense is almost certainly lost. This week, those elements are part of the challenge of the 1997 V.A. Slane Game, a two-day competition in which four pros contend each of 18 holes for ever-larger prizes. Headliner Mark O'Meara, who is bringing his family and staying a week, has captured what are arguably the two most coveted championships worldwide this season—the British Open and the Masters. Joining O'Meara are fellow Americans Fred Couples, a three-time Slane champion in Canada, and the marcelled better, John Daly, bounding out the (forensic) PGA Tour (plus Mike Weir of British Columbia, Glen, winner of the 1997 Order of Merit on the Canadian Tour).

The star appeal got blundered attention—the International Management Group, which stages the Slane, sold its full complement of 5,000 tickets in 50 minutes, and it added a second pro-tournament pro-am event to the schedule to accommodate demand from fans and corporate clients. But provincial officials have no other motive for cranking the big series to play the highly regarded seaside course

Last year's Slane Game in Windsor, B.C., was the highest-rated TV golf broadcast in Canadian history, and the event was later rebroadcast on TV markets around the world. Local efforts—including Premier Patrick Brazeau's commitment to bring the Slane Game to Prince Edward Island, and the provincial department of economic development and tourism provided the course and logistical support for this year's event in hopes of drawing attention to the island as a destination in the booming and lucrative golf travel market.

Prince Edward Island's north and east coasts may well be the perfect landscapes for seaside golf, in places evoking the rugged landscapes of Scotland, England and Ireland. Yet the province has become a high-profile golf destination almost without trying. Historically, golf was seen as an accessory, something visitors might do if they grew bored of the beaches, church-bell lobster suppers and walks through Green Gables. But since the opening of Crowbush in 1993, says Ron MacNeill, Prince Edward Island's director of tourism development, golf has become a major attraction. In 1997, he says, 14 per cent of visitors came to play golf, compared with eight per cent five years before.

It is easy to see why provincially owned Crowbush, near Lunenburg southeast of Charlottetown, excites golfing passions. Several holes wind through the sand hills by the beach and the sea—always compared with other resorts that usually offer sheltering property to residential development. Golf Digest, the most influential North American periodical for the sport, named design legend Tom McEvoy's layout winner at first opening, proclaiming it Canada's best new course in 1994. Then last May it named Moon To Play profile, the magazine even Crowbush as one of the continent's 10 best public courses.

The impact has been remarkable. Crowbush general manager, Jack Kane, whose daughter Loree is the top Canadian on the LPGA Tour, says golf stretched the traditional July to August

tourism season so much that September is now as busy as July. And a walk through the parking lot in June revealed that cars "from Iowa"—from Wisconsin, Pennsylvania, Massachusetts, Iowa, New Hampshire, Ontario and Quebec—outlined the local glades.

The attention paid to Crowbush has also been a windfall for nearby golf operators—there has been a dramatic increase in the number of rounds played at the lovely provincial park layouts at Brudenell River in the east, and Mill River in the west, and at the Stanley Thompson designed Green Gables near Charlottetown. "Crowbush has changed a lot of things," says Ryan Garrett, club manager at Brudenell. "Before, we got mostly locals, but

now we are seeing more and more tourists from the United States." Crowbush alone could not satisfy all the demand for high-end golf, so over the past two years, the province spent \$1 million to upgrade Brudenell River and Mill River Golf Clubs. Crowbush Clubhouse Corp. has recently made an offer to the province to buy the three private layouts. Local investors, meanwhile, get provincial help to build a new 18-hole resort to Brudenell that is expected to be ready late next summer, and at least two other groups are looking to finance new courses. "Golf has been so successful here that a lot of people want to get in on it," says MacNeill. "They want to create a Crowbush for their communities, too."

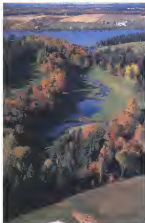
The international attention is flattering, but daunting, too. Determining golfers are notoriously critical of any failure in course planning and maintenance. After a recent round at Crowbush, for instance, a couple from Texas complained they were unable to get a meal because the clubhouse kitchen had, without notice, closed an hour early. Another pair from New England griped about the condition of the greens, which had not been properly mowed. Kane says the best-of-course award was "a great honor but also a tremendous challenge because we have to hold tremendous expectations. It's a huge thing to win a major award, but it's easier to keep improving every year."

Even when conditions are less than perfect, visitors say, the courses' sub-80 greens fees—uncompetitive by resort standards—and the scenic settings, island and by the sea, are ample reward for making the trip. Fifth Canadian, visiting the area with her husband, Larry, said they had heard about Crowbush even before leaving their home in Perlefort, N.Y. "It's a gorgeous course," she says. "The views from some of the holes were spectacular." And Chip Vigan, a pro-shop administrator from Boston, said golf on the island was "indisputably cheap" for Americans. "I loved Mill River," he said. "It's every bit as much of a treat as Crowbush."

That says a lot. McEvoy's design presents a stern challenge, particularly around the well-manicured and simply sloping greens. Even the 17th, a long 125-yard par 3 over thick brush in a closed canopy is no cinch. Players cannot see the pin when it is located on the front of the green, severely slowing greens, and all shots are fully exposed to the wind. A few short hit short of the green falls into a cavern of scrub from which no ball will ever return. Any ball hit long or left will bound down into trees and thick rough. No matter what happens, though, golfers can console themselves with the view.

JAMES DEACON is in Lunenburg.

Golfers discover the Island's scenic charms



The sunset reveals hole at Mill River Golf Club—the province became a high-profile golf destination almost without trying.

Birth of a powerhouse

BY JOE CHIDLEY

They stopped short of calling him czar—would the glitzy Toronto offices of Alliance Communications Corp., you don't call Robert Lantos that and expect him to stay with it. But when the board of directors found out last spring that Lantos was about to merge a merger with Atlantic Communications Inc., longtime No. 2 in the production industry, with a view towards stepping down as chairman and CEO, some of them suggested that it was just a phase he was going through. "They said things like, 'Are you losing all right?'" Lantos, 48, recalls, pulling on a cigar and fiddling with his plastic lighter. "People tried to tell me this is normal when you're approaching 50, everyone goes through it, don't do anything bold." At the signing of a brand, Lantos took a month to think about his place. But he came back more certain than ever that the merger—in which Lantos will head over the management reins to Atlantic CEO Michael MacMillan—was the right thing both for the company and for himself.

Because what Robert Lantos really wants to do, he says, is to make movies—not acquire companies or negotiate distribution deals, or get named as honorary director of such and such a charity, or fill any of the other responsibilities that go with his unofficial title as king of film and TV production in Canada. In fact, the 12 years he has spent as head of Alliance—during which he built the company into the largest of its kind in the country, with 1997



Lantos (left), MacMillan: the king joins the throne, and escapes the demands of empire-building

Alliance plus Atlantis equals film-TV clout

plus," he says. Months of difficult—and secretive—negotiations followed, during which the principals sloped code names in business correspondence—Lantos was Pluto, MacMillan Venus.

The result is a complex deal—in essence a revenue take-over, with two Atlantic shares being traded for every Alliance share, meaning that Alliance shareholders will still hold 80 per cent of the new company's stock. In exchange, MacMillan becomes the chairman and CEO, supported largely by his own management team, including Sussman and Alliance co-founder Victor Lowrey will remain head of film distribution. Under the new regime, the two companies will still hold 80 per cent of the new entity, Alliance Atlantic Communications Inc., for three years. Lantos will have no management role, and will be limited to overseeing two TV series—*Power Play* for CTV and *Over Me* for CBC—and producing films. He has at least seven projects in the works, with financing guaranteed by Alliance Atlantic, but controlled by him. They include *The Taste of Sussman*, starring Ralph Fiennes and directed by Hong Konger Irina Sachs (*Mykiss*, *Colored Sky*). David Cronenberg's

effort, *A 504 million* will offer now in post-production, and *Design* (based on a 15-minute, an "entirety of contemplation in being") Lantos says.

In the wake of the merger announcement, some industry observers questioned Lantos's motives, pointing out that as a 10-per-cent shareholder in Alliance, he stands to reap as much as \$50 million from the deal, maybe more. But when the proposed corporate coupling is the result of love or money, it will come in the form of a player on the North American entertainment scene. If approved by shareholders, the new company will have market capitalization of more than \$700 million and projected revenues for 1998-1999 topping \$750 million. Compared with U.S. giants like Disney or Time Warner Inc.—which earn more than 15 times that figure in six quarters—the new entity is small fry. But it will still be among the 10 largest entertainment companies in the world on the basis of revenues. "It's not such an obvious thing to do, combining these two companies," says MacMillan, who notes that while Alliance once concentrated on feature films, Atlantic has stuck to series and movies for TV. "And by putting them together, the extra strength it will give us internationally—to support the Canadian production we're undertaking—is huge."

Despite their similarities, however, the two corporate cultures are different—a reflection, in part, of the personalities of Lantos and MacMillan. Hong Kong-born Lantos got his start, along with friend Lowrey, by distributing porn. His first purchase was *The Best of the New York Erotic Film Festival* back in 1972. Scarborough, Ont., born MacMillan joined Alliance 20 years ago with three film/television production companies, including McLean and Leslie Platt, and their first projects were adaptations of Canadian short stories (*Shoe and Girth*, their 1983 version of history by Anne Michaels, now in theatres). And the two CEOs have clearly different styles of running their respective companies. Lantos (who took home \$1.29 million last year) is renowned for his hands-on, some say dictatorial, approach. MacMillan (who earned a 1997 \$407,000 in more modest pay) is very good at delegating responsibility, says McLean. "And his door is always open—maybe to a fault." MacMillan is clear about which management style is going to hold sway at the new company. "I intend to carry on doing things exactly as I always have," he says.

That business, MacMillan says, will have less and less to do with producing series and film in-house, and more with managing its distribution and commercial deals with independent producers and film-makers—a move that will be both companies have been evolving towards in recent years. Still, Alliance Atlantic will have long arms in TV production (with *Twisted* and *Earth: Final Conflict* among Alliance's series, *Black Hawk* from Alliance) and

distribution (financed by Alliance's May purchase of a 75-per-cent interest in Carlton Globe Films, one of the country's biggest film distributors). Alliance Atlantic will also control four specialty TV channels—Life and More & Garden Television from Alliance, Showcase and History from Alliance—and will have new applications for new channels before the CRTC early next year.

Stockmarket analysts were quick to applaud the merger. Separately, both companies had been performing well. Alliance's net earnings rose to \$24.3 million in 1997-1998 from \$25.2 million, while Atlantic's were up 65 per cent, to \$2.6 million, in the same period. Now, the two companies estimate savings through combining operations will reach \$20 million annually. Both companies were successful before, says Yorkville Securities analyst Roger Reid. "But this takes them to the highest level of the independent production industry."

Reaction among movie TV and film producers, however, were mixed. For some whose budgets are measured in the tens of millions, the Alliance Atlantic merger company is a highly risky prospect. Another factor rubs Lantos, who has acted such talents as Cronenberg, Adam Sandler and John Cusack. The Alliance management team has little experience in the feature film business. "Alliance was certainly the biggest company for us in terms of its support for feature films," says Anna Sussman, whose *Crucible* Media Inc. produced *The Bourne Generation* and *Lovers* with Lantos's company. "But for us now it's a question of what commitment will be there? Will there be a place for us in this—or are we really going towards oblivion?" McLean, who is also a director, will head the new company's domestic production, says he is cautious working with—not swallowing up—the small to medium-sized production companies on which he will depend for material, both in film and in television. "We haven't been involved in the past," he says matter-of-factly. "We're not going to start being involved now."

Lantos, meanwhile, is preparing to relinquish power. Asked how he will feel about it—as in, is it a relief, he takes a long pull on his cigar and leans over his desk. "Sure, there are going to be things I'm not going to do," he says after a pause. "They might let the Japanese garden I built die"—he waves towards a little patch of greenery in the 15th floor balcony outside his office's sliding doors. "But I'm resigned to all that. There are more important things like 'Let's make movies.' Financing and distribution—that's what the business has been about. And the guys have 'Now I want to produce and let the company finance what I produce.' Crazy? Maybe—like a kid."

With JAMES D. JOHNSON and DAVID TUCKER

Staging the classics with class

A brave new company makes its mark

What is the answer for a group of Canadian actors with a craving for the classics but no place to perform them other than the all-but-deserted shops of the Stratford or Shaw festivals? They can throw caution to the winds and start their own company. That, in a nutshell, is the origin of Soulpepper, a new Toronto troupe dedicated to performing the great works of world theatre from Shakespeare to Pinter to *The 12 founding members include some of the country's most talented performers, among them Albert Schultz, his wife Susan Coyne, Martin Berns, Ted Dwyer and Joseph Zander. They recently launched Soulpepper with critically acclaimed pro-*

ductions of Molière's 1666 comedy, *The Misanthrope*, and Schiller's 1787 verse drama, *Don Carlos* (both running until Aug. 30)—and in the process changed the face of theatre in Canada's largest city. "Every major Western center has a company devoted to the masterworks," notes Schultz, who has starred in theatres across the country and appeared on TV shows such as *Street Legal*. "It seemed ridiculous that a city this size, with a theatre culture this mature, did not have one too."

So far, Soulpepper has no permanent



Carver (left), Puck in *Don Carlos*. *Costume credits appreciated*

home, preferring for reasons of economy to rent suitable premises. The troupe is currently at the intimate du Maurier Theatre Centre, but will appear next year in the much larger Royal Alexandra, where it will present Thornton Wilder's classic, *Our Town*. And there are long-term plans to mount a year-round season of about half-dozen plays, some of which Soulpepper hopes to take on tour. Financing of this-plus a cover every program to train young actors—is a major challenge. The company members themselves have canvassed corporate, private and government donors, raising over \$300,000 of the \$600,000 budget for their first two shows in a mere four months. The real meat come from box office. So far, healthy sales point to a surplus by the end of August. Says an elated Schultz: "I can tell you we're going to be around for quite some time."

For its opening two shows, Soulpepper has brought in a first high-profile guest artist, including the charismatic Brecht Carver, the Canadian singer actor who won a 1990 Tony for his role in Broadway's *King of the Sparrows*. But Soulpepper's most effective star may well be its first guest director, Robin Phillips. A former head of Edmonton's Citadel Theatre and the Stratford Festival (where he trained many of Soulpepper's members more than a decade ago), Phillips is arguably the finest stage director in the country. Certainly, in shaping *The Misanthrope* and especially *Don Carlos*, he has turned in some of the best work of his career.

Don Carlos is no good that on opening night, even critics stood to applaud. This is the kind of show to restore faith in

serious theatre, and yet the wonder is that Soulpepper dared to mount *Don Carlos* at all. Schiller's dense historical drama, set in the Spain of the Inquisition, is rarely performed, and the full text runs to well over four hours. If slips he trembled it is just waddy theory. But the cast has made this mammoth piece shine like a new play—one that matches with a nodding, formal beauty yet cuts to the heart as efficiently as Toledo steel.

In writing *Don Carlos*, Schiller—the German Romantic is perhaps best known today as the author of the words to Beethoven's *Ode to Joy*—was heavily under the influence of Shakespeare's *Hamlet*. He has made the Spanish court where the play is set into a kind of northern Elsinore, complete with a brooding, misanthropical prince, Don Carlos (Brecht Carver), his loathful, Horatio-style friend, the Marquis of Posa (Schultz), and a grandiose monarch, Don Carlos's father, Philip II (Peter Onor). Performed in the round on a small, sparsely furnished stage, this production rapidly achieves a compact effectiveness. Productions of classical plays are often marred by much needless vocal flourishing. But Phillips has counsel his cast to deliver Schiller's verse with clarity and intelligence: every gesture and inflection seems packed with meaning, creating the effect—crucial to all great theatre—of heightened life.

Anchoring a wonderfully strong cast, Don Carlos' prickly Philip is one of the western actor's most complex roles. This is a king who knows not only the limitations of power, but also its infirmities and danger: he sees like a healer in his own court, every fibre of his body alert to the actions of his family and courtiers. Carver, too, is a standout as an emotion, ally and young man in love with his own young stepdaughter, Queen Elizabeth (Nancy Poole), yet also driven by the Marquis of Posa's demand that he lead the people of Flanders in rebellion against their Spanish rulers.

Molière's *Misanthrope* is not so superbly done, lacking the enveloping momentum and endurance needed to make a play greater than the sum of its parts. But there is much that is charming here, including Schultz's Alceste, the despotic hero who hates mankind but loves his lady friend, Celine (Pike). Handling his idealism, and apparently alive only on his hands and his head, Schultz makes Alceste into a recognizable contemporary—an intellectual whose contrivedness makes a deeper nature. Philip's hellishly arduous love with a faraway green umbrellawoman symbol of Alceste's perennial combination of passion and hopelessness. It remains to be seen what other directions will bless Soulpepper with such no-nonsense touch.

JOHN HENDRICK

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Peter C. Newman

Get ready for the 'ruthless economy'

Canada's world is getting smaller all the time. Two of Canada's Big Five banks are willing to be subsumed so that their banking competitors can survive in a global environment. The country's film and TV production industry lightens its optics as its two leading players—Alliance Communications Corp. and Alliance Communications Inc.—become one. Mattel, the world's largest toy manufacturer, is bought out by Merck & Co., the most aggressive of Wall Street's high-stakes players. It's all part of the globalization phenomenon that's, indeed, sweeping the globe—and it's not going to go away.

Until recently, there was something vaguely un-Canadian about going global. If we exploited excess energy and imagination abroad, we went the opposite, we might be expected to do so at home. That would never do. We would quickly lose our identity complex, which apart from medicine, is the only natural identity we've got.

But it's not that easy. Take it or not, globalization will be the life force of the 21st century. The most successful of our business stars are already moving into world markets. In 2000, Stamp's available Four Seasons franchise has a higher presence in most of the world's countries than in Canada. Frank Stronach is a tax exile living in Austria and Switzerland. Jimmy Patterson has moved most of his remarkable conglomerate south of the 49th parallel. The largest and most aggressive sector of Post-Industrialism is aggressive corporate mergers in Europe.

When Victor Young of Newfoundland's Fishery Products International was faced with vanishing fish stocks, he negotiated deals to buy frozen-waters stock off Alaska, shipped it for processing to China, and sold solid fillets at a profit in the North American market. Art DeFels, CEO of Philcor Furniture in Winnipeg, completely studied his product line after the Free Trade Agreement, immediately ran to ask and cheapen participation products, quadrupling his U.S. sales. Bill from McDonald's spent most of his time abroad his \$500-million jet, inspecting his food operations in 90 countries.

"Export or die" will be the mantra of the new millennium. And yet, even for the most adventures of the international players, going global will be daunting. That's not because of language problems—English is the universal business language in every corner of the world except Quebec. And it's not because brilliant government officials in successfully part of a foreign business deal—most companies are able to write them off. The problem is that global players must spread themselves against the very different rules by which international business is played. It means

1. Having to compete, really compete, down and dirty, with rivals 10 times your size, whose ethics belong to the parties who once swept the Caribbean, brooms tied to their rivals and anyone in their boots.

2. Realizing that those corporate playing fields that may not have seemed quite level in Canada begin to look pretty good. Once abroad, the playing fields are leveled towards the big boys from the big countries that you feel lucky if you can get into the stadium.

3. Not only competing with other companies in your industry, or even other industries, but against entire ecosystems, those new organizational life forms sprung across many markets and are based more on waves of innovation than on product lines. (Bill Gates is not a person, but an ecosystem.)

4. Joining what U.S. economist Paul Samuelson describes as "the ruthless economy" that views employees as expendable factors of production. People are retained on payroll only until they can be replaced by cheaper candidates.

5. The end of corporate responsibility. However, points for good corporate citizenship count for nothing when the score is kept in a numbered account in Swiss bank, on Liechtenstein trust, or the office of some lawyer in a Panama but in the Caymans.

6. Understanding that the likelihood of the global market is mobility. Successful international entrepreneurs must be able to renege as migratory birds with extraordinary changing grounds.

In other words, forget your personal life, or grab a new one. Only 10 years ago, exports accounted for about 25 per cent of this country's gross domestic product, now it's more than 40 per cent and by this

century's end—37 months from now—that ratio will be nearly 50 per cent. Canada is becoming part of the borderless world that, according to Japanese management consultant Kenichi Ohmae, non-border nations, obvious and national economies are eroded, since both have been colored by transnational corporations. The scope and size of these global elephants is difficult to grasp and even more difficult to credit. According to one recent study, of the world's hundred largest economies, 51 are corporations. Wal-Mart, for example, has greater revenues than the gross domestic product of 164 countries, including Poland.

They call themselves multinational or transnational, but they mostly mean where taxes are the lowest and worker protection laws the weakest. Fully certified of the world's private sector productive assets are already owned by these new breed microcorporations. They are held together by fiber-optic circuits and private computer networks. Encryption reigns.

I suppose we could always change our anthem to "O Wal-Mart, we stand in guard for thee."

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